



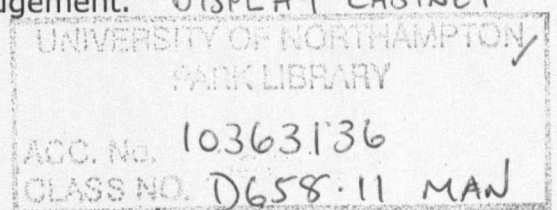
Business Start-Up Dilemma: Support Nascent Entrepreneurs or Deliver  
Contracts?

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Tambudzai Mangezi

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The University of Northampton  
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PhD Thesis

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**Business Start-Up Dilemma: Support Nascent  
Entrepreneurs Or Deliver Contracts?**

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## **Acronyms**

|                         |   |  |
|-------------------------|---|--|
| <b>A<sup>1-13</sup></b> | - | Entrepreneurial Activities                                     |
| <b>ALMI</b>             | - | ALMI Företagspartner   |
| <b>BIS</b>              | - | Department for Business, Innovation and Skills (formerly BERR) |
| <b>BL</b>               | - | Business Link  |
| <b>BLC</b>              | - | Business Link Contractor                                       |
| <b>BLSS</b>             | - | Business Links Start-up Service                                |
| <b>BS</b>               | - | Business Shop  |
| <b>BSA</b>              | - | Business Support Advisor                                       |
| <b>CRM</b>              | - | Customer Relationship Management                               |
| <b>EBSCO</b>            | - | EBSCO Host Online Research Databases                           |
| <b>EE</b>               | - | Entrepreneurial Experience                                     |
| <b>EMB</b>              | - | East Midlands Business   |
| <b>EMDA</b>             | - | East Midlands Development Agency                               |
| <b>ERC</b>              | - | Entrepreneurship Research Consortium                           |
| <b>ERDF</b>             | - | European Regional Development Fund                             |
| <b>ESF</b>              | - | European Social Fund   |
| <b>EU</b>               | - | European Union   |
| <b>FPU</b>              | - | Funded Project Unit (UoN)                                      |
| <b>GDP</b>              | - | Gross Domestic Product   |
| <b>GEM UK</b>           | - | Global Entrepreneurship Monitor UK                             |
| <b>GVA</b>              | - | Gross Value Added  |
| <b>HMRC</b>             | - | HM Revenue and Customs   |
| <b>ICT</b>              | - | Internet Computer and Technology                               |
| <b>IDB</b>              | - | Information Diagnostics and Brokerage                          |
| <b>IFC</b>              | - | International Finance Corporation                              |
| <b>ILO</b>              | - | International Labour Organisation                              |
| <b>IMF</b>              | - | International Monetary Fund                                    |
| <b>IT</b>               | - | Information Technology   |
| <b>JCP</b>              | - | Job Centre Plus  |
| <b>JSBC</b>             | - | Japan Small Business Corporation (JSBC)                        |
| <b>JSBDC</b>            | - | Japan Small Business Development Corporation                   |
| <b>LDA</b>              | - | London Development Agency                                      |
| <b>NBC</b>              | - | Northampton Borough Council                                    |
| <b>NBS</b>              | - | Northampton Business School                                    |
| <b>NBV</b>              | - | Nottingham Business Ventures                                   |
| <b>NCC</b>              | - | Northamptonshire County Council                                |

|                |   |   |
|----------------|---|---|
| NE             | - | Nascent Entrepreneur                                  |
| NEL            | - | Northampton Enterprise Limited                        |
| NNDC           | - | North Northants Development Corporation               |
| NVC            | - | New Venture Creation                                  |
| OECD           | - | Organisation for Economic Cooperation and Development |
| Op.cit         | - | Work already cited                                    |
| P.             | - | Page  |
| PAYE           | - | Pay As You Earn                                       |
| PP.            | - | Pages   |
| PSED           | - | Panel Study of Entrepreneurial Dynamics               |
| R & D          | - | Research and Development                              |
| R&D            | - | Research and Development                              |
| RBSIS          | - | Regional Business Support Information System          |
| RDA            | - | Regional Development Agency                           |
| S4B            | - | Solutions for Business                                |
| SBDCs          | - | Small Business Development Corporations               |
| SBA            | - | Small Business Administration                         |
| SBS            | - | Small Business Services                               |
| SEEDA          | - | South East England Development Agency                 |
| SIYB           | - | Start and Improve Your Business                       |
| SLP            | - | Strategic Local Partnership                           |
| SME            | - | Small to Medium Enterprise                            |
| SMS            | - | Short Message System                                  |
| SPSS           | - | Statistical Analysis Software                         |
| SPs            | - | Support Programmes                                    |
| T1             | - | Time 1  |
| T2             | - | Time 2  |
| T6             | - | Training Target                                       |
| TEA            | - | Total Early Stage Entrepreneurial Activity            |
| TEC            | - | Training and Enterprise Council                       |
| UK             | - | United Kingdom  |
| UoN            | - | The University of Northampton                         |
| USA            | - | United States of America                              |
| USSR           | - | Union of Soviet Socialist Republics                   |
| V <sup>1</sup> | - | Group 1 Variables                                     |
| V <sup>2</sup> | - | Group 2 Variables                                     |

|      |   |                                 |
|------|---|---------------------------------|
| VAT  | - | Value Added Tax                 |
| WB   | - | The Word Bank                   |
| WBC  | - | Wales Business Connect          |
| WINE | - | Women Inspiration Network Event |



**Area, Organisation and Individual Participant Codes**

|                                     |   |  |
|-------------------------------------|---|--|
| C <sup>1</sup> –C <sup>5</sup>      | : | County 1 - 5                             |
| BLC <sup>1</sup> - BLC <sup>4</sup> | : | BLC 1 - 4                                |
| SLP <sup>1</sup>                    | : | Strategic Local partnership 1            |
| L <sup>1</sup> P <sup>1</sup>       | : | Level 1 Participant 1                    |
| L <sup>1</sup> P <sup>2</sup>       | : | Level 1 Participant 2                    |
| L <sup>1</sup> P <sup>3</sup>       | : | Level 1 Participant 2                    |
| L <sup>2</sup> P <sup>1</sup>       | : | Level 2 Participant 1                    |
| L <sup>2</sup> P <sup>2</sup>       | : | Level 2 Participant 2                    |
| BLC <sup>1</sup> P <sup>1</sup>     | : | Business Link Contractor 1 Participant 1 |
| BLC <sup>1</sup> P <sup>2</sup>     | : | Business Link Contractor 1 Participant 2 |
| BLC <sup>1</sup> P <sup>3</sup>     | : | Business Link Contractor 1 Participant 3 |
| BLC <sup>1</sup> P <sup>4</sup>     | : | Business Link Contractor 1 Participant 4 |
| BLC <sup>1</sup> P <sup>5</sup>     | : | Business Link Contractor 1 Participant 5 |
| BLC <sup>1</sup> P <sup>6</sup>     | : | Business Link Contractor 1 Participant 6 |
| BCL <sup>1</sup> P <sup>7</sup>     | : | Business Link Contractor 1 Participant 7 |
| BCL <sup>1</sup> P <sup>8</sup>     | : | Business Link Contractor 1 Participant 8 |
| BLC <sup>2</sup> P <sup>1</sup>     | : | Business Link Contractor 2 Participant 1 |
| BLC <sup>3</sup> P <sup>1</sup>     | : | Business Link Contractor 3 Participant 1 |
| BLC <sup>4</sup> P <sup>1</sup>     | : | Business Link Contractor 4 Participant 1 |
| SL <sup>1</sup>                     | : | Pseudonym for Nascent Entrepreneur 1     |
| JC <sup>1</sup>                     | : | Pseudonym for Nascent Entrepreneur 2     |
| GU <sup>1</sup>                     | : | Pseudonym for Nascent Entrepreneur 3     |
| PJ <sup>1</sup>                     | : | Pseudonym for Nascent Entrepreneur 4     |
| DC <sup>1</sup>                     | : | Pseudonym for Nascent Entrepreneur 5     |
| PM <sup>1</sup>                     | : | Pseudonym for Nascent Entrepreneur 6     |

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## **Preface**

Contract Dysfunction

***'what was good for the contract was not good for the client'***

Complicit Conspiracy:

***'...the targets are not difficult and evidence requirements are not that tight because they don't ask for evidence in terms of signature'.***

## **Abstract**

This study is an independent and critical assessment of the Business Link Start-up Service (BLSS) in the creation of new ventures in the East Midlands. The BLSS was part of the region's £70m annual investment in business support (2007-10). THE BLSS was delivered in the five counties of the East Midlands region and included the four Business Link Contractors (BLCs).

The study uses a sequential mixed method approach to data collection and analysis. The data collection was multi-level and captures experiences, views and expectations at regional policy and funding level (East Midlands Development Agency), contract management level (East Midlands Business), contractor level (Nottingham Business Ventures, Northampton Business School, Skills for Enterprise, and Derbyshire Enterprise Agency), and nascent entrepreneur level. Semi-structured interviews were used to understand the context and experiences in the provision of the BLSS. The qualitative data illuminates shared experiences in the context of entrepreneurship support provision. The quantitative study (a survey of 105 participants), is an analysis of the nascent entrepreneurs' profiles who were at different stages of new venture creation, their access of the BLSS (training, business advice, and information) and progress to new venture creation (NVC).

The BLSS product was well designed to provide a balance of flexibility and structure in meeting nascent entrepreneur needs. However, BLSS contract and output targets (measures) distorted the delivery process. The delivering of BLSS by contractors was adapted to 'deliver' the required outputs. The focus on 'hitting targets' is a threading theme in the discussion. The behaviour of the contractors limited the capacity of the BLSS to ensure the progress of individuals from one stage to another when they are counted as an output. This evaluation of business support led to the development of a 'new' nascent entrepreneur support model which is expected to help in redefining of the objectives and measures for start-up support programmes. The 'new' model fully recognises the need to progressively develop individuals through to start-up without ignoring the complexity of creating a new business and the need for evolving support throughout the start-up process.

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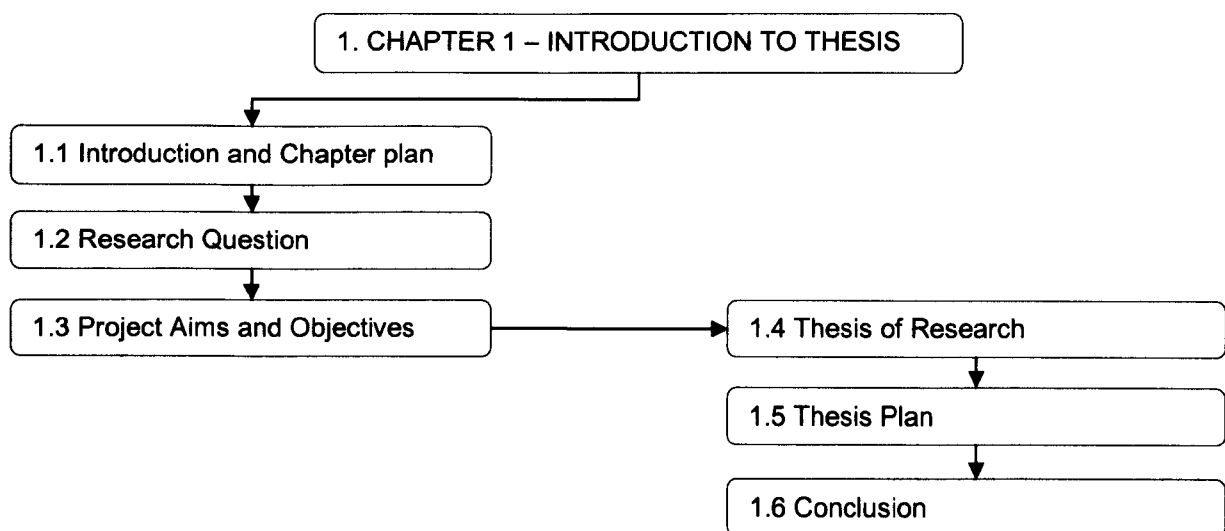
# CHAPTER 1 – INTRODUCTION

This study is a critical assessment of the BLSS service delivery, its context and the progression of individuals to new venture creation (NVC). This provides an interface between entrepreneurship development theory and practical business start-up support programmes. The study uses entrepreneurship theory in the review on the BLSS programme. The use of entrepreneurship theories of organising (Gartner and Brush 1996, Carter et al 1996, Delmar and Davidsson 2003), opportunity identification (Shane 2000 and 2003, Ardichvili et al. 2003, Shane and Venkataraman 2000), and entrepreneur development (Reynolds and White 2000, Reynolds and Miller 1992, Aldrich and Martinez 2001) to entrepreneur support. The theoretical perspective is important to link the key aspects of entrepreneurship theory and the practical delivery of business start-up support which is at the centre of this study. This study brings together key perspectives of entrepreneurship theory into the review of the Business Link Start-up Service (BLSS) in the East Midlands (2007-10). The theory perspective is essential for the creation of knowledge, development of sustainable enterprise support programmes and the design of a start-up support framework to generate a higher proportion of new ventures per supported population.

## 1.1. Introduction and Chapter plan

The aim of this chapter is to give an introduction to the thesis and to set the scene by outlining the goals of the thesis, the overall theme of research, and also give an overview of the thesis. This chapter is structured as shown in Figure 1-1.

**Figure 1-1 Chapter One Layout**



The main objective of the study is to carry out an independent and critical assessment of the effectiveness of the Business Link Start-up Service (BLSS) in the creation of new ventures in the East Midlands. The BLSS was part of the region's annual investment of just over £70m in business support delivered in the East Midlands between 2007 and 2010. The study covers the five counties of the East Midlands region (Nottinghamshire, Lincolnshire and Rutland, Derbyshire, Leicestershire, and Northamptonshire). The programme was delivered by four Business Link Contractors (BLCs) who were contracted by the East Midlands Development Agency (EMDA). This is an independent study that uses qualitative and quantitative data (sequential mixed method approach) to evaluate the progressive impact of entrepreneurial support on individual development through the new venture creation (NVC) process.

Storey (2000) stated that academic evaluation of Government sponsored enterprise promotion and support has generally been slow and noted that one of the major challenges of carrying out independent evaluations has been the ambiguity in the objectives or intentions of such programmes. However, in recent years the tasking framework, business support tenders and business support contracts have become more and more specific providing numeric output targets for most activities thus providing better scope for academic evaluation. The Business Link contract 2007-2010 had specific objectives and the EMDA monthly, quarterly and annual review figures do show that it was a success as the delivery targets were met (more individuals than budgeted attended training, received information started a business, or survived in business for over 12 months). This thesis begins with the reported success story, the numbers, then works back into the context to build a qualitative and quantitative evaluation of the BLSS service provision and discuss if the service has helped individuals progress from one stage to another (prestart to start-up). Qualitative data builds an understanding of how individuals were supported towards setting up new ventures. The quantitative study follows on the qualitative analysis by surveying the supported individuals to understand their demographic profile, use of service, and outcomes.

## **1.2. Main Research Question**

Does the Business Link Start-up Service help individuals to create new ventures?

## **1.3. Project Aim and Objectives**

The aim of this project is to critically examine BLSS delivery (operational between 1 April 2007 and 31 March 2010) in the East Midlands in terms of its ability to develop individuals from prestart to start-up. This is the first ever academic evaluation of the BLSS project impact on nascent entrepreneurs in the East Midland region. The research was supported by East Midlands Development Agency (EMDA), East Midlands Business (EMB) and Business Link

contractor organisations before commencement. This regional support allowed for the collection of a huge volume of qualitative data in records of meetings, policy documents and interview data. This investigation fulfils the following objectives:

- i). To investigate the existing publicly funded entrepreneurial development and support structure in the region 2007-10. Public funding and support for new business creation have increased over the years. The East Midlands Development Agency reported a steady increase of new business created from 2007-2010, averaging just over 2,500 a year.
- ii). To examine critically the objectives and performance of entrepreneurial development support. EMDA had targets for training, information, business start-up and survival. The targets were devolved to BLSS service contractors (BLC). The extent to which the target structure influenced the delivery of start-up support is explored in this study.
- iii). To analyse the demographic focus and coverage of BLSS. This study analyses the demographic reach distribution of a sample of participants. The analysis incorporates emerging themes from preliminary discussions with programme managers (contract managers and contractors), and those emerging from further literature study (government contracts). This study captures the contractors challenges in balancing the need to meet targets, the need for the service to be inclusive and representative of the population.
- iv). To appraise the extent to which nascent entrepreneurs were identified, supported and progressed to new venture creation (NVC). The Regional Development Agency (RDA) targets for entrepreneurial support were numbers of people that had accessed a service (e.g. training), number of businesses created, and numbers of businesses surviving. The aim is to assess if there was a progressive link or intention to ensure that individuals supported progress to new venture creation. Models of new venture creation (Gartner, 1985; Bhawe, 1993; Aldrich and Martinez, 2001) are reviewed in this study to capture individual nascent entrepreneur development paths, business support interventions and resultant outcomes (success and failures). This study links nascent entrepreneurial support variables and new venture creation theory thus providing the missing link in the evaluation of nascent entrepreneurial support.
- v). To carry out a survey with nascent entrepreneurs and assess their service evaluation and attribution of success or failure to BLSS
- vi). To provide a post-study evaluation that will propose a regional 'best-fit' model of enterprise support in the context of outcomes of objective 1-5.

## **1.4. Thesis of Research**

The thesis of this study is 'the Business Link Start-up Support Service (BLSS) directly assists participating nascent entrepreneurs to develop to new venture creation'. This unique study focuses on the ability of the pre-start entrepreneur support system to progress would be entrepreneurs from prestart to new and established (surviving) business owners. This study examines how nascent entrepreneurs were identified, supported and progressed towards setting up a new business. The initial inquiry explores the linkage between services provided (enablers) and individual progression/development towards new venture creation (outcome).

More specifically the thesis:

- Engages in a qualitative inquiry to explore emergent themes of entrepreneurial support in the East Midlands.
- Gains a better understanding of the context of the Business Link Start-up Service provision from both contract managers and contractors.
- Assesses the extent to which the entrepreneurial development support package met the needs of the entrepreneurs.
- Assesses the entrepreneurial support variables (training, mentoring, advisor sessions) quality rating and amount of support accessed related to entrepreneurial status.
- Explores the relationship between human capital factors (age, education, work experience, and gender) and entrepreneurial status (pre-start, start, established).
- Examines how access to financial support (saving money, investing own money, applying for funding) relates to entrepreneurial status.
- Through the development of a model (or framework), provide an insight into an 'optimal' design structure and progressive measures of business support programmes.

The outputs of these analyses are a critical component for the development of an entrepreneurial support model.

## **1.5. Contribution to Knowledge**

This study makes its main contribution to current literature on entrepreneur support by providing a link between entrepreneurship theory and practical delivery of entrepreneurship support. The four main contributions are discussed below.

The first contribution comes from the qualitative study of the Business Link Start-up Support (BLSS). Interviews with policy makers, service providers and entrepreneurs highlight themes on individual (professional and personal) experiences in the delivery of enterprise support.

On one end, previous academic studies that have been carried out evaluating business support have been hugely focussed on the 'hard' outcomes and impact on small and medium businesses (SME's) survival and growth (Mole et al 2009, Bennet and Robson, 2003; Chrisman and McMullan, 2000). While on the other end non-academic reports that include nascent entrepreneurs are mainly service satisfaction studies. Business Link perception studies and a number of self evaluation reports commissioned by RDA's have failed to make it into academic reference lists as they are considered as self justification reports (e.g. EMDA, 2008). The distinguishing aspect of this study is that it includes both providers and nascent entrepreneurs. The multilevel approach (policy, provider and nascent entrepreneur) captures variations of individual experiences across levels. Providers show a general awareness of the needs of nascent entrepreneurs including the need for start-up finance. The nascent entrepreneurs confirm the importance of start-up finance in the new venture creation process. Collecting data from both providers and service recipients helped to build a better understanding of the nascent entrepreneur needs. The entrepreneurs' perspective to business support and its contribution (impact) to new venture creation are further discussed under attribution (Chapter 6). As noted earlier, academic research has focussed on the impact of support on small business performance while practitioner reports have highlighted the achievement of targets and high service user satisfaction levels. The study attempts to reconcile the divergent approaches.

Secondly, this study uses entrepreneurship theory on human capital factors, new venture creation activities and stages of entrepreneurial development to review the BLSS provision. Previous studies have used human capital factors, new venture creation activities and stages of entrepreneur development to assess the likelihood of individuals succeeding in their new ventures. This study uses the theories within the context of a start-up programme and shows the extent to which entrepreneurship theory is relevant (activities completed, human capital factors, stages of development) to the actual delivery of support and to nascent entrepreneurs. The study concludes that entrepreneurial activities as set out by Gartner and Brush (1996) and Carter et al (1996) were not relevant to the BLSS supported start-ups which could be classified as lifestyle and informal businesses.

The third contribution is that the study captures individuals (entrepreneurs that have started businesses, those still trying, and some who given up on starting a business) who have not been captured in many studies before due to selection bias (inclusion of only successful entrepreneurs or small business owners). Denrell (2005, pp.114) argues that 'selection bias is a difficult trap for business scholars and practitioners to avoid because good performance

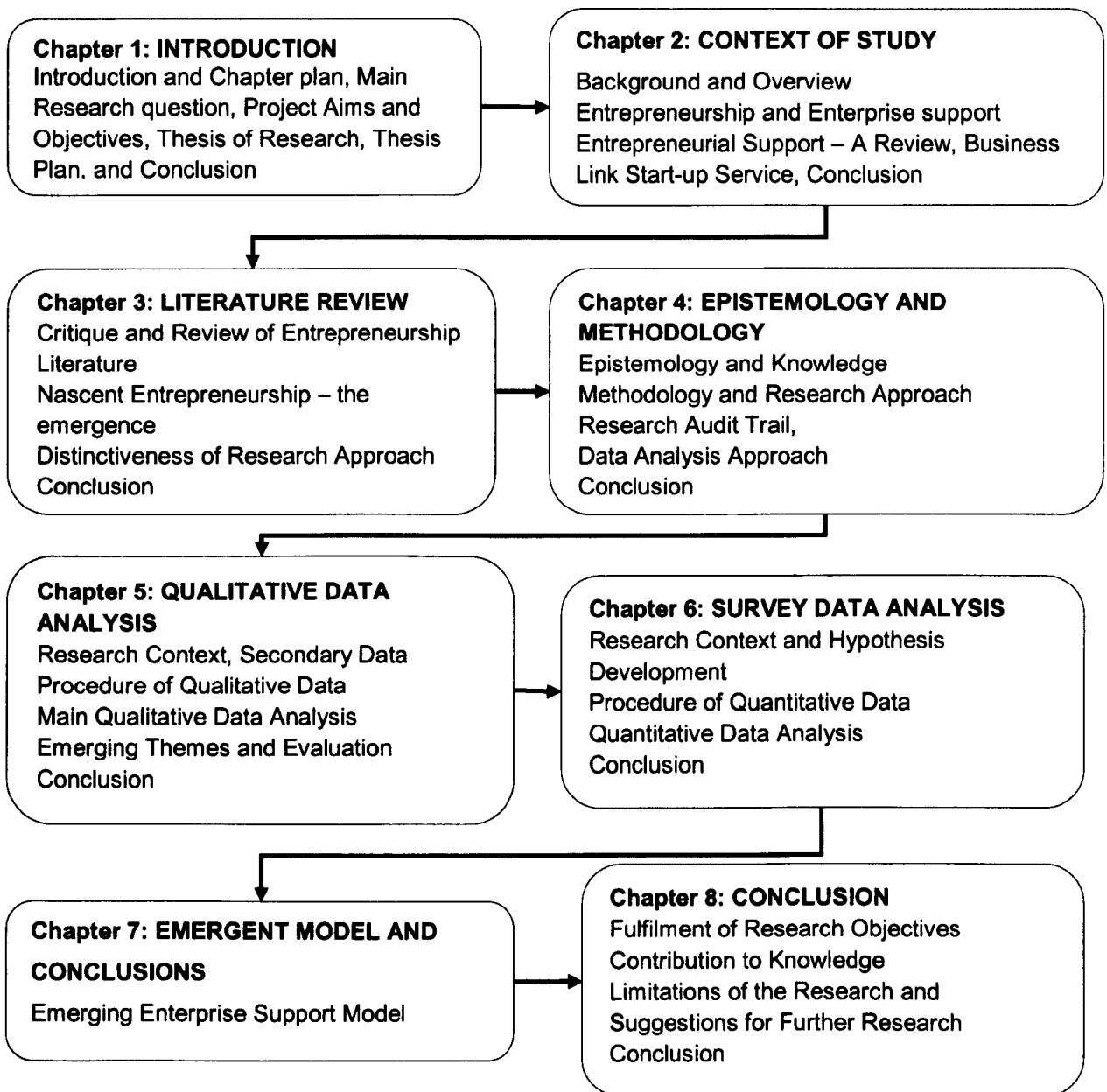
is rewarded by survival'. Individuals that have accessed BLSS support that are still trying to setup a business, or have actually given up are part of the nascent entrepreneurs' sample in this study. Entrepreneurship research faces sampling challenges (Neergaard and Ulhøi, 2007) and the inclusion of individuals who have not started is a unique aspect of this study to the field. The additional support requirements noted by the nascent entrepreneurs are important for the practitioners in developing start-up support solutions. The analysis of data shows in this study shows that gender distribution of nascent entrepreneurs at various stages (pre-start, start-up and established) is balanced and this does not support previous research (Delmar and Davidsson, 2003; Honig and Davidsson, 2003). This gender balance, though a subject of further research, could be attributed to the specific support programmes for women in the region and type of businesses being created (mainly lifestyle businesses). Analysis of other demographic descriptors such as age, work experience and qualifications conforms to literature (Shane 2000) which states that middle-aged individuals with more work experience and are well educated are more likely to start business. The delivery of the BLSS was not built on to the agenda to ensure progress or development of individuals but more to achieve short-term output targets. This is further discussed in Chapter 5, Chapter 6 and Chapter 8 (Table 8-1).

Finally, the fourth contribution is derived from the discussion of the nature of relationship between entrepreneur profile, type and quantity of support, new venture creation activities and stage of entrepreneurial development. The emerging qualitative themes and detailed demographic analysis illuminate the relationship between various human capital factors and stage of entrepreneurial development. The conclusions contained herein contribute to the debate on how entrepreneur support can be tailored to create a higher proportion of new ventures per supported population. The new venture creation and support model is developed within the context of literature and analysed data. The model (Figure 7-6) is designed to allow for progressive monitoring and evaluation in the provision of business support. Contribution to knowledge is discussed through out the data analysis chapters and summarised in Chapter 8 (Tables 8-1, 8-2 and 8-3)

## **1.6. Thesis Plan**

The thesis has eight main chapters which contain an introduction and context to the study; provide a review and critique of relevant literature; give an overview of epistemology and methodology; describe, analyse and explain data gathering and results; summarise results; and, finally, place the findings of the research back into a research agenda. Figure 1-2 presents the plan of the thesis in a diagram.

**Figure 1-2 Thesis Chapter Plan**



**Synopsis of the eight chapters:**

**Chapter 1** is an introduction to the thesis and gives an overview of the study's aim, objectives, and provides a justification of the study.

**Chapter 2** gives a general view of the research agenda and explains some of the fundamental issues in national and regional structures of entrepreneur support. As such, it gives the case for enterprise support, its history, development, and an international review of entrepreneur support in the USA, Sweden and Bangladesh. The three countries provide a wide spectrum varying in terms of economic and social structures, stages of economic development, population demographics and these aspects are outlined in detail in the

analysis. The chapter then details the UK and East Midlands system which is the context of this study. The gaps in literature are highlighted and position of the study is carved out.

In **Chapter 3** a comprehensive view is taken of the current literature review on entrepreneurship, nascent entrepreneurs, and enterprise support. This review examines the wide-ranging literature available and the current debates in entrepreneurship. This is intended to enable the reader to gain an overview of the current position of relevant issues. The review conceptualises the literature and provides a consideration of the models used in this research.

**Chapter 4** lays out the general epistemology and methodology and their broad application in entrepreneurship research. The chapter discusses multi-disciplinary and mixed methodology approaches, tools and strategies as well as the use of secondary (policy, strategy, and meeting records) and primary data (interviews and survey) in this study. This chapter provides detail and justification of the methodology adopted in this thesis. Detail of the data collection process and a hint of the methodological lessons emerging from the study are presented in this chapter.

**Chapter 5** begins with a section linking back to Chapter 4 and outlines the methods of research used and the approach to data analysis. It also presents the findings from the qualitative thematic analysis around the delivery structure (EMDA, EMB, contractors and strategic partners), pressure to meet targets and outcomes, the delay in BLSS contract 'delivery', the extended role of intermediaries and networks as sources of referrals, marketing restrictions and their impact on targets. The chapter also develops and pre-state propositions for the follow-up quantitative study. The main purpose is to review the delivery of the BLSS programme appreciate how it related to theory on entrepreneurship development stages, new venture creation activities and acquisition of human capital skills.

**Chapter 6** develops and states hypotheses for the follow-up quantitative study. This chapter is a presentation and discussion the quantitative data. The data presentation include cross tabulation, correlation and Sammon map analysis of the relationships between entrepreneurial support variables, human capital factors and entrepreneurial status or NVC.

**Chapter 7** presents the emerging enterprise support model, model usage and application.

**Chapter 8** presents a conclusion to the thesis. It discusses fulfilment of research objectives, contribution to knowledge, limitations of the research, suggestions where further research is required and discusses the policy implications and recommendation from the study.

## **1.7. Conclusion**

This chapter gives an overview of the study, research questions, thesis of research, and lays out the thesis plan. The next chapter (chapter 2) develops the context of this study by



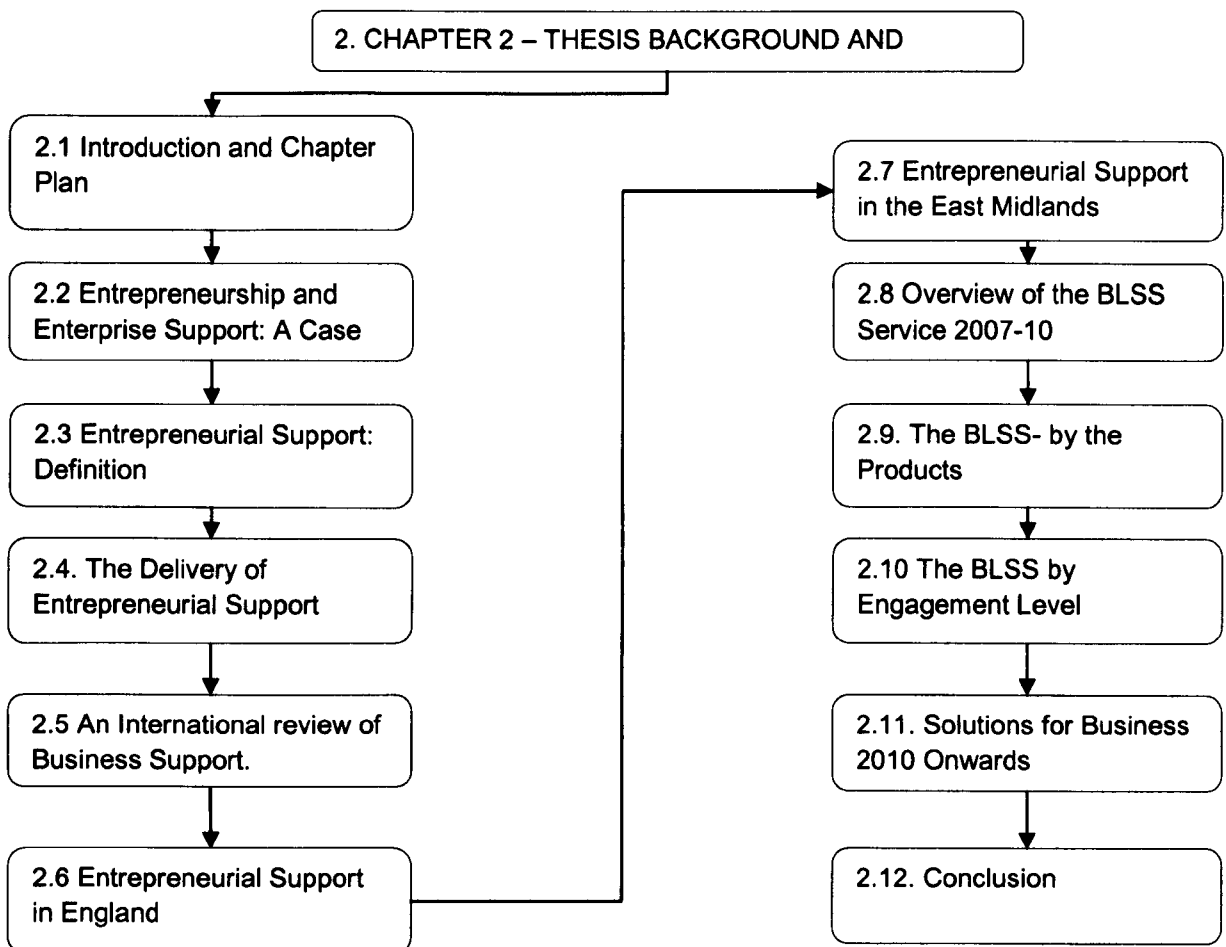
discussing the enterprise support, the regional enterprise support structure and the future of support.

# CHAPTER 2 – THESIS BACKGROUND AND OVERVIEW

## 2.1. Introduction and Chapter Plan

Chapter 1 gave an introduction to the thesis aim and objectives and also presented the thesis chapter plan. This chapter (Chapter 2) gives a summary discussion of the concept, case and role of entrepreneurial support in new venture creation. The sections in this chapter include the following: the rise of entrepreneurship, the case for entrepreneurship support in economic development, the emergence of the nascent entrepreneur literature, entrepreneurial support definition, a global review of entrepreneurial support, enterprise support in England and East Midlands, and the BLSS 2007-2010 review. Figure 2-1 shows how the chapter is structured.

**Figure 2-1 Chapter Two Layout**



Research into early stages of entrepreneurship has focussed on either pre-start and start-up entrepreneurial activity or new and small business support and growth. The Global Entrepreneurship Monitor, (GEM) and Panel Study of Entrepreneurial Development, (PSED) collect national data on early stage entrepreneurial activity. However, PSED and GEM data

is not linked to business start-up support. This study links entrepreneurship development theory and uses that to assess the BLSS programme. There is limited independent academic evaluation of entrepreneurial support (Storey 2000) and most project evaluations are usually carried out by project sponsors and providers (self evaluation). The next section looks at the case for entrepreneurship in economic growth, innovation, competition, and marginal production.

## **2.2. Entrepreneurship and Enterprise Support: A Case**

The two oil crises of the 1970s impacted seriously upon the fortunes of established companies with resultant employment loss. The fall of communism in Europe and the emergence of China and Brazil in the late 1980s to early 1990s caused significant changes to competition in world markets. In advanced economies there was continuing downsizing and outsourcing by big companies as they sought to increase efficiency and focus on core competencies. Outsourcing and downsizing, among other factors, led to the creation of smaller companies (spin-offs) providing services and inputs to large companies. The emergence and increased importance of smaller companies triggered the politicians' interest in Small to Medium Enterprises (SME's) (OECD 1998; Huse & Lundström 1997). Since the 1990s the United Kingdom (UK) Government has continually implemented entrepreneurship development programmes to stimulate new venture creation (NVC). At the end of the twentieth century, new business support intensified with large companies migrating manufacturing and production to developing economies with lower labour costs such as Asia (China and India), the Middle East and some parts of Africa.

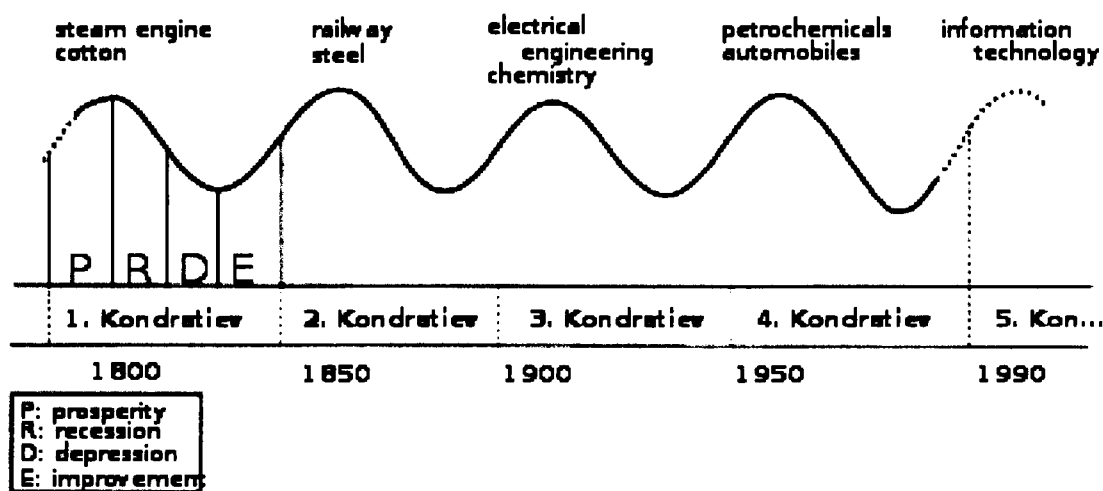
Publicly funded entrepreneurial and small business support programmes have existed for over 20 years and are prevalent in most economies both developed and developing. Storey (2008) states that virtually all developed countries utilise taxpayer's money on entrepreneurial and small business support. De (2000) and Storey (2000) confirm that all industrialised countries provide some measure of support for new business creation, even though the support varies greatly from country to country and region to region. Entrepreneurial and SME development services include market access services, input supply services, technology and product development, training and technical assistance, infrastructure support, policy/advocacy, and financial support (ILO, 2005). It is interesting to note that the ILO describes financial support (excludes start-up capital) in its definition of business development service (BDS). These services can be delivered separately or as part of an integrated solution. OECD countries provide advisory support to entrepreneurs and small firms; however the optimal structure (format) and intensity of support remain debatable (Mole and Bramley, 2006). ALMI Företagspartner in Sweden delivers support directly through

public agencies, while Law 44 in Italy uses a network of subsidised private sector consultancies and France uses a regional fund format. The OECD Bologna Charter of 2000 marked a significant step by policy makers of the importance of SMEs and new business creation to economies and the role the OECD could play in fostering its development (OECD, 2000). Since then entrepreneurship and firm creation have been recognised as vital forces driving innovation. Governments across the world seek to promote entrepreneurship as a source of employment creation. A higher level of entrepreneurial activity is assumed to be related to a higher level of economic development (Audrestch and Thurik 1997; 1998; 1999; Thurik and Wennekers, 2004).

Seminal work by Schumpeter (1934) stated that entrepreneurship contributes to economic development through the creation of new products and services (disruptive innovation) thereby increasing marginal productivity and profitability. In order to boost sustainable economic growth, entrepreneurial and SME development strategies are usually pursued as part of wide-ranging national and regional programmes intended to tackle structural economic weaknesses, such as the decline of traditional industries in the 1970s (Turok, 1997). Declines and changes in economic growth are natural and as Kondratiev (1925) argues that there are cycles (larger than business cycles) that consist of alternating periods between high sectoral growth and periods of relatively slow growth (Figure 2-2). Based on the Kondratiev theory, the argument for new venture creation (and new enterprise support) is that it minimises the negative effect of the slow down during periods of recession. Innovation and entrepreneurship help discover the next wave of innovation. Wennekers and Thurik (2001) also note that small firms and new firm start-ups may not be necessary for regional growth in the short run, but are seeds of future growth and are of central importance to long term development. The innovation case for entrepreneurship is stated by Kondratiev (1925).

The Kondratiev theory argues that the phase of the steam engine and its related industries came to pass, as did the railways and steel, electrical engineering and chemistry, petrochemicals and automobiles. The current phase is the wave of information technology and related industries growing around the invention of internet and computer technology. Innovation and entrepreneurship is what drives the next cycle of growth as shown in Figure 2-2.

Figure 2-2 Kondratiev Cycle

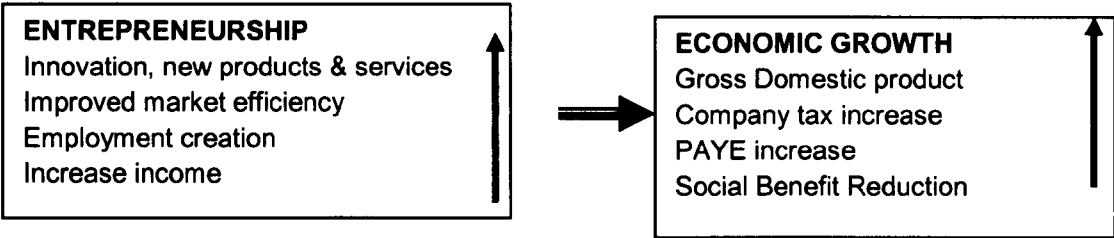


*Kondratiev (1925)*

The creation of new businesses is related to economic growth and employment stability. Acs et al (1999) and Acs et al (2007) state that in recent times, and not just in the UK, policy makers have come to view small and medium-sized enterprises as an important source of jobs, innovation and growth. This notion is extended by Curran (2000) who concluded that the key objectives of entrepreneurship development are higher levels of new business creation, increased net job creation, and the building of an entrepreneurial culture. Economic policies are about attracting business, retaining business and creating business, but with the changes in search for lower production costs in the developing world, the creation of new business becomes the most viable economic strategy.

Government support for small to medium-sized enterprises (SMEs) is increasing in the wealthy countries and is based on the view that SMEs contribute to high-quality employment generation and are exceptionally innovative (Parker, 2000). The growth and development of small and medium enterprises (SMEs) is a central priority of the European Union (EU) regional policy, and the same applies to its many constituent regions and nations. According to the OECD (2008, p.7) the link between entrepreneurship policy and innovation is by nature, indirect and co-dependent and entrepreneurship policies are aimed at strengthening innovation. Entrepreneurship as stated earlier boosts innovation, new product and service inventions, improve market efficiency, increase income and create jobs and these directly and indirectly lead to a rise in Gross Domestic Product (GDP), PAYE and company tax increase, and a reduction of social benefit payout. Figure 2-3 summarizes the link between entrepreneurship and economic development.

**Figure 2-3 Entrepreneurship and Economic Development**



*Interpreted from Acs (2006)*

There have been a number of studies carried out to test the link between NVC and employment creation e.g. Birch (1979) and Robbins et al (2000). A study in the United State of America conducted between 1970-79 (Birch, 1979) concluded that small businesses created the majority of jobs. Birch used a data base drawn from the credit rating files of Dun and Bradstreet, and reported that that 82% of all new jobs between 1970-79 were created by small firms. Robbins et al (2000) in their ten year study of 48 US States evaluated Gross State Product, unemployment and wage inflation. The study concluded that high proportions of very small business experienced higher levels of productivity growth, less wage inflation and lower unemployment. Given that in the UK there are 4.4million SMEs which make up 99.7% of businesses, employ 47.5% of workforce, and contribute 48.7% of turnover the interest in new business creation is expected whether justifiable or not in real terms. In an OECD (2009) study of Norway, Korea, Mexico and Turkey, SME's (<250 employees) accounted for an average of over 90% of the total business population. SMEs in Russia (< 250 employees) account for about 90% of the total number of firms and provide 45% of total employment, and they account for 40% of total sales. SMEs in China account for 99.9% of the total number of firms provide 84% of total employment and they account for 71% of total sales. According to Birch (1987), while Fortune 500 firms lost 4 million jobs during the 1980s, firms with fewer than 100 employees added 16 million jobs during the same decade. The statistics presented above are, of course, evidence of continued economic liberalisation in China from 1976 onwards and the demise of large state owned enterprises of the communism era in Russia.

Entrepreneurship (large scale business creation) is a recent phenomenon (begun in the 1970s) in the United States, as noted by Barga (2003, p.315):

‘the economic landscape of the United States has changed dramatically over the last 40 years and the scope of one such change—led by a small group of high-growth entrepreneurial companies that transformed the industries they entered...’.

However, the importance of SMEs has been subject to scrutiny and the job creation hypothesis has been tested from different perspectives and this has brought conflicting results about the importance of new ventures and SMEs in net job creation (Brown, Hamilton, and Medoff, 1990). Parker (2000) argues that there is evidence to suggest that SMEs contribute a very small percentage of new jobs created and overall employment in SMEs is characterized by lower wages and relatively poor working conditions. The main source of difference in the results has been the variables (definition of SMEs) used to define of small to medium business including age of company, number of employees, and company capitalisation. The IFC defines a small enterprise as having fewer than 50 employees and total assets/ annual sales of more than US\$100,000 but less than US\$ 3 million; and a medium enterprise less than 300 employees and total assets / annual sales US\$ 15 million, while the OECD defines an SME as employing up to 250 people. These variations in definitions makes cross country /agency comparisons challenging. This study is not evaluating the importance of new ventures in economic development, therefore, these methodological variations do not impact the course or validity of this study which focuses on start-up support and new venture creation. However, the debate, remains important in that the importance of SMEs is one of the most important justifications for government intervention in enterprise support.

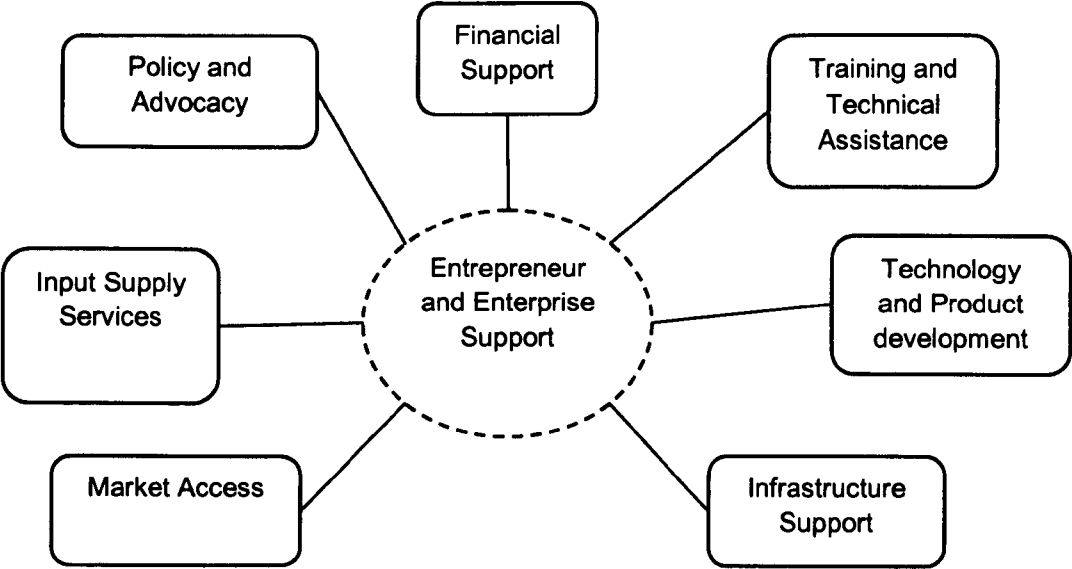
Despite the conflicting views about the role of SMEs in economic growth, governments and policy makers hold on to the assertion that new and small businesses are a major contributor to employment creation, innovation, and economic growth. This is evidenced by the concerted policy efforts towards new venture creation and enterprise survival as long-term employment creation and economic stabilisation strategies. Since Bologna Charter in 2000 the OECD has hosted several other events in 2004, 2006, and 2007, all aimed at raising SMEs access to the global markets, and finance. These efforts were accompanied by national initiatives in OECD countries to further the SME and new venture creation agenda. The agenda in the industrialised economies is to encourage entrepreneurship as a tool for economic rejuvenation, employment creation and social inclusion (using for example European Social Fund (ESF) and European Rural Development Fund (ERDF) funding). In developing countries entrepreneurship is mainly intended to create employment, reduce poverty and spur economic growth. The start-up support programmes in emerging economies are supported by multilateral agencies such as the International Finance Corporation (IFC) the World Bank and the International Labour Organisation (ILO) (for example the ILO-SIYB programme). Governments in both industrialised and less developed countries continue to provide enterprise and SME initiatives to assist new business creation,

regardless of the fact that SME strategies in most countries results have been less than satisfactory (Hallberg, IFC 1999). The case for entrepreneurship and entrepreneurial support is further developed in the literature review. The next section discusses entrepreneurial support, its features and delivery.

**2.3. Entrepreneurial Support: Definition**

Entrepreneurial and SME assistance is demonstrated at three main levels – the macroeconomic, the ‘meso-economic’ (market, institutional, regulatory), and the micro (firm or individual) level (Phillips, 2001). Wren and Storey (2002) state that entrepreneurial support can be in the form of advisory assistance, dissemination of business practice, and encouragement of gateway services. According to the ILO (2005) entrepreneurial and SME development services include: ‘market access services, input supply services, technology and product development, training and technical assistance, infrastructure support, policy/advocacy, and financial support’. The OECD (2002) states that entrepreneurship is determined by three factors, opportunity (market conditions), resources (capital, research and development, and technology), and skills (ability of entrepreneurs and their ability to access advice). Enterprise support services can be delivered separately or as part of an integrated solution, Figure 2-4 shows a summary of the services.

**Figure 2-4 Entrepreneurial and Enterprise Support Service**



*Interpreted from ILO (2005)*

**i). Market access**

The provision of support in market research, market information, trade fairs, product exhibitions, advertising, packaging, marketing trips and meeting, subcontracting, and outsourcing.



**ii). Infrastructure support**

The provision of storage and warehousing, transport and delivery, business incubators, telecommunications, internet access, computer access, and secretarial services.

**iii). Policy and advocacy**

Provision of training in policy advocacy, analysis of policy constraints and opportunities, direct advocacy on behalf of SMEs, sponsorship of conferences, and policy studies.

**iv). Input supply services**

Providing support linking SMEs to input suppliers, improving suppliers' capacity to deliver quality inputs, facilitating establishment of bulk buying groups, information on input supply sources.

**v). Training and technical assistance**

Provision of mentoring, feasibility studies, business plans, franchising, management training, counselling / advisory services, legal services, financial and tax advice, accountancy and bookkeeping, technical training.

**vi). Technology and product development**

Provision of technology transfer / commercialisation, linking SMEs and technology suppliers, facilitating technology, procurement quality assurance programmes, design services.

**vii). Financial support**

Factoring companies providing capital for confirmed orders, equity financing, facilitating supplier credit, and equipment leasing and rental.

Entrepreneurship support is therefore broad and multifaceted in order to address market failures from an opportunity, resource and skills perspective. Entrepreneurial support is being provided in several countries (as stated earlier) to assist individuals in the process of setting up a business and small business owners. The case put forward by policy makers is that individuals in the process of starting up a new venture (nascent entrepreneurs) face market failures and entry barriers and therefore need 'public' support to be able to create new businesses. The intention is to reduce the negative effect that market failures (cost of business support, barriers of entry and exit, financial costs, 'liability of newness', diseconomies of scale) have on prestart and small businesses. Free and/or subsidised support services are therefore, arguably, an essential intervention in the process setup of new business.

The provision of support has evolved over the years as the world's largest economies have transitioned from state controlled economies to free market economies (e.g. Russia, China, and Brazil). In the 1970s governments centralised support, to enhance welfare through eliminating market failures and redistributing of wealth. Centralisation and bureaucracy of business support attracted high administration costs, and to some extent, delivery of programmes that lacked local context and returned mixed results in delivery success (Minniti, 2008). Increasingly however, it was found that failures in government delivery may be as or more important than market failures (Tamásy, 2006). Even given an appropriate policy environment, experience suggests that state institutions are only likely to be effective as long as they enjoy the local support and participation of the private business community, are well funded, have staff experienced in relevant technical areas, and have a significant degree of autonomy from bureaucracy and political interference (Minniti, 2008). Meeting the local requirements is a challenge for national government programmes. Localisation and customisation of entrepreneurship support programmes is essential. Wagner and Sternberg (2004) state that the entrepreneurial process differs not only from country to country but also region to region and policies need to take cognisance of this fact. Figure 2-5 shows the continuum of government intervention in enterprise support.

**Figure 2-5 Enterprise Support Continuum**

| Supply Driven     |                      |                    | Demand Driven      |                      |
|-------------------|----------------------|--------------------|--------------------|----------------------|
| State Development | Autonomous           | Assistance Fund    | Assistance Fund    | Voucher program      |
| Promotion Agency  | Public agency        | Public agency      | Pvt/Contract mngmt | Pvt/Contract mngmt   |
| Government Mngmt  | Private/Contract Mgt | Govt control       | Decentralized      | Decentralized        |
| Centralized       | Part decentralized   | Part decentralized | Private SPs        | Co-payment           |
| Government SP a/  | Private/public SPs   | Private SPs        | Co-payment         | Private (?local) SPs |
| Full subsidy      | Some service fees    | Co-payment         |                    | (Small/micro ents)   |

a/ SP = service provider

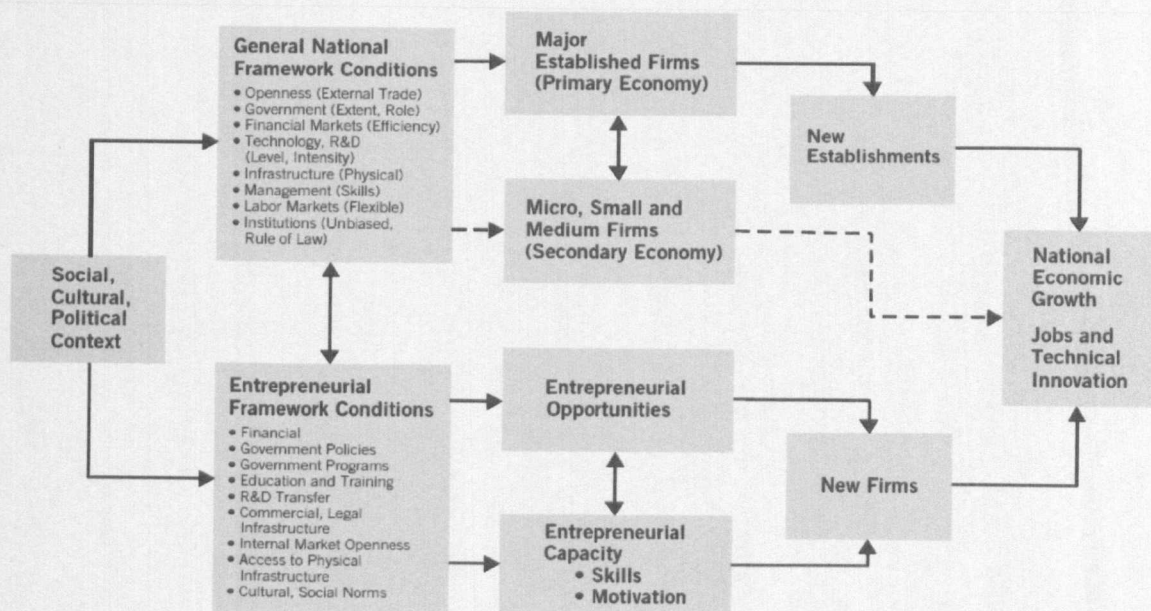
*Phillips (2001. p9)*

The debate surrounding centralisation and delivery of services by government led to a change of approach whereby governments have tried to directly expand the market for business development services by providing incentives to users of services. The resulting increase in demand was in turn expected to stimulate service provision from existing and new independent private service suppliers. In the middle of the continuum (with all government centralised support on one end and market business development services at the other) the some governments have implemented a demand-driven national programme, with a decentralised approach to enterprise support for micro-enterprise (e.g. the UK Business Link network, which will be discussed in detail in later sections of this chapter). It is therefore logical that regional start-up instruments/strategies should be primarily evaluated

from a regional perspective to capture the local context of resources, opportunities and skills. There is critical need for local programmes and context in entrepreneurship support.

The GEM conceptualisation of entrepreneurship development (Figure 2-6) captures the importance of the social, cultural and political context; economic conditions, and entrepreneurial framework conditions. The role of government within this context is to promote a social, cultural and political context, economic conditions, and entrepreneurial framework conditions that are supportive to entrepreneurial ventures. Factors such as intellectual property rights, reduced bureaucracy in registering a business, tax incentives for new starts etc are positive to enterprise creation. Enterprise support is therefore expected to be broad and multifaceted to address market failures that hinder nascent entrepreneurs from exploiting opportunities, accessing resources and skills and subsequently creating new ventures as shown in Figure 2-6.

**Figure 2-6: The GEM Conceptual Model**



*Bosma et al (2008. p2)*

The role of government lies with creating an enabling environment and improving access to resources and skills for nascent entrepreneurs and small business owners.

## 2.4. The Delivery of Entrepreneurial Support

As noted earlier, Government programmes on entrepreneurial and enterprise promotion are prevalent in both developed and emerging economies and are justified on the basis that entrepreneurship contributes to economic development. As a restatement, the structure and

delivery of support not only varies from country to country but also region to region. According to Storey (2002) the one stop shops, online portals, mentoring, incubation, enterprise centre, business advisors and mentoring can be provided as a package or separately. The delivery channels are listed and described below:

**Business Support One-Stop Shops:** These centres are designed for entrepreneurs to start and complete government regulatory procedures such as the registration of a new business (e.g. Spain's business 'guichets'), get approval from government regulators, meet business providers, and also get one-stop information and advice.

**Website / Online portals:** The growth of the internet has allowed governments to develop a wide range of websites and portals both to provide information and services to potential and existing entrepreneurs. Web services can include training, mentoring and counselling and the Business Link website is a good example internet base support.

**Mentoring Schemes:** Mentoring programmes hereby a nascent entrepreneur (start-up venture) is paired with an experienced entrepreneur (established venture) to facilitate knowledge transfer and to enhance learning. Mentoring programmes are based on research on the importance of networks, prior knowledge and peer learning and these are discussed in detail in the literature review section of Chapter 3. The UK Mentoring for All® programme is a typical example.

**Incubators and Science Parks:** a number of governments have launched national incubator programmes as part of their start-up policies. These 'third generation' incubators (science parks) are structured for knowledge-based start-ups, often located on university campuses, and connected to high-internet access and networked to experts – researchers, technology experts, venture capitalists, experienced entrepreneurs and large corporations. Clients have access to information, counselling, technical assistance, financing, R&D facilities, potential partners and peer support. The UK has close to a hundred science and innovation centres. Examples in the UK include Liverpool Innovation and Birmingham Research Park. The concept of innovation centres is supported in literature on the basis of clustering (Braun et al 2005, Rosenfield 1997, Cainelli et al 2006) and the Silicon Valley concept. The evaluation of the incubators and science parks lags behind investment (UKBI, 2007).

**Specialty enterprise centres:** another institutional innovation is the rise of specialty enterprise centres to serve identified target groups e.g. women's enterprise centres and youth enterprise centres. Typical examples are the Centre for Youth Enterprise Development, Wandsworth Youth Enterprise Centre, Centre for Women Enterprise Bedford in the UK, and Women Enterprise Centre in Canada.

**Business advisors:** This service is a response to an increasing demand for individualised solutions to a broader range of entrepreneurs' needs. There are business advisors and counsellors employed by government or quasi-government organisations. ALMI in Sweden and Business Link in the UK provide one to one advice to nascent entrepreneurs and small business owners.

**Networks:** Certain governments support the creation of networks through associations of small business e.g. the Federation of Small Business (UK) and the Small Business Association (USA).

The effectiveness or successes of such entrepreneurial programmes including microfinance remains largely undetermined, as summarised by Storey (2003). Table 2-1 shows the summary.

**Table 2-1 Programme Focus and Experience**

| <b>Focus</b>                              | <b>Programmes</b>   | <b>Countries</b>                     | <b>Experience</b>   |
|---|---|--------------------------------------|---|
| Access to Financing                       | Loan Guarantee Scheme, SMEs without access to own collateral obtain access to bank loans by state acting as guarantor | UK, USA, Canada, France, Netherlands | Generally viewed as helpful, but small scale impact on the overall financing of SMEs in most countries  |
| Access to Markets                         | Europartenariat, Organisation of Trade Fairs to encourage cross-border trade between SMEs                             | EU                                   | General satisfaction amongst firms that participated  |
| Administrative Burdens                    | Units established within government to seek to minimise administrative burdens on smaller firms, deregulation Units   | Netherlands, Portugal, UK            | The view of small firms themselves is that bureaucratic burdens have increased markedly in recent years |
| Science Parks                             | Property based developments adjacent to Universities  | UK, France, Italy and Sweden         | Conflicting findings on impact of SPs on performance of firms   |
| Managed Workspace and Business Incubators | Property provision to assist new and very small firms. Provide premises for new and                                   | World-wide                           | General recognition that such initiatives are of value  |



| <b>Focus</b>                           | <b>Programmes</b>  | <b>Countries</b>                                 | <b>Experience</b>  |
|--|--|--|--|
|  | small firms on "easy- terms"   |  |  |
| Stimulating Innovation and R & D Firms | Small Business Innovation Research Program, \$1billion per year is allocated via competition to small firms to stimulate additional R&D activity                           | USA  | Studies imply SBIR enhances small firm performance, but are unable to show that firm performance leads to additional R&D                                   |
| Stimulating Training in SMEs           | Japan Small Business Corporation (JSBC) and local governments provide training for owners and managers of small firms  | Japan  | unknown  |
| Entrepreneurial Skills                 | Small Business Development Corporations (SBDCs)<br>Counselling is provided by SBDC mentors to small business clients who may be starting a business or be already trading  | USA  | Studies find SBDC clients have higher rates of survival and growth than might be expected, but reservations over these findings are found in other studies |
| Entrepreneurial Awareness              | Entrepreneurship Education, to develop awareness of enterprise and/or entrepreneurial spirit in society by incorporating enterprise into the school and college curriculum | Atlantic<br>Canada,<br>Australia,<br>Netherlands | Conventional assessments are particularly difficult here because of the long "lead times"  |
| Special Groups                         | Law 44 provides finance and mentoring advice to young people in Southern Italy, where enterprise creation rates were very low  | Southern Italy                                   | Most studies show the survival rates of assisted firms to be well above those of "spontaneous" firms, but this is an                                       |

| Focus | Programmes | Countries | Experience          |
|-------|------------|-----------|---------------------|
|       |            |           | expensive programme |

Storey (2003)

2.5. An International Review of Business Support

This section will give a specific review of entrepreneurial support in Bangladesh, Sweden and the United States of America (USA) to highlight the key variations in different economies. The selection of these three countries is justified on the basis of their differences in economic structure, development, welfare structure, social development etc. On one hand the United States is the world’s largest economy and is strongly capitalist with minimal social benefits. At the other end is Bangladesh, one of the world poorest economies and with virtually no social ‘safety net’. However on a different dimension, Sweden is highly affluent with a generous social welfare system and a functioning capitalist economy. These differences therefore make these three cases of entrepreneur support interesting to focus on.

Bangladesh is one of the world's poorest economies (GDP \$259.3 billion), an economic growth rate of (5.6%) and GDP per capita of \$1,700 (2010). Bangladesh has a population of 156 million and is overpopulated, politically unstable, with insufficient power supplies, and a weak infrastructure. While the USA commands the largest economy with a GDP of \$14.7 trillion and GDP per Capita of \$47,400. It is home to some of the largest multinational brands (e.g. Coca-cola, Nike and Microsoft), with an economic growth rate of 2.8% (2010) and also is known to be highly entrepreneurial (Total Early Stage Entrepreneurial Activity Index, 10.4 in 2008). Sweden is a highly affluent economy with efficient social services and benefit schemes and a TEA index of 3.5 (GEM, 2008). Sweden has a mixed system of high-tech capitalism and extensive welfare benefits with a GDP of \$354 billion, GDP per capita \$37,000 and growth rate of 4.1% (2010). In Sweden privately owned firms account for about 90% of industrial output. The economic and social background of Sweden, USA and Bangladesh is important to show that entrepreneurship has a role to play in a wide range of economic scenarios.

Sweden

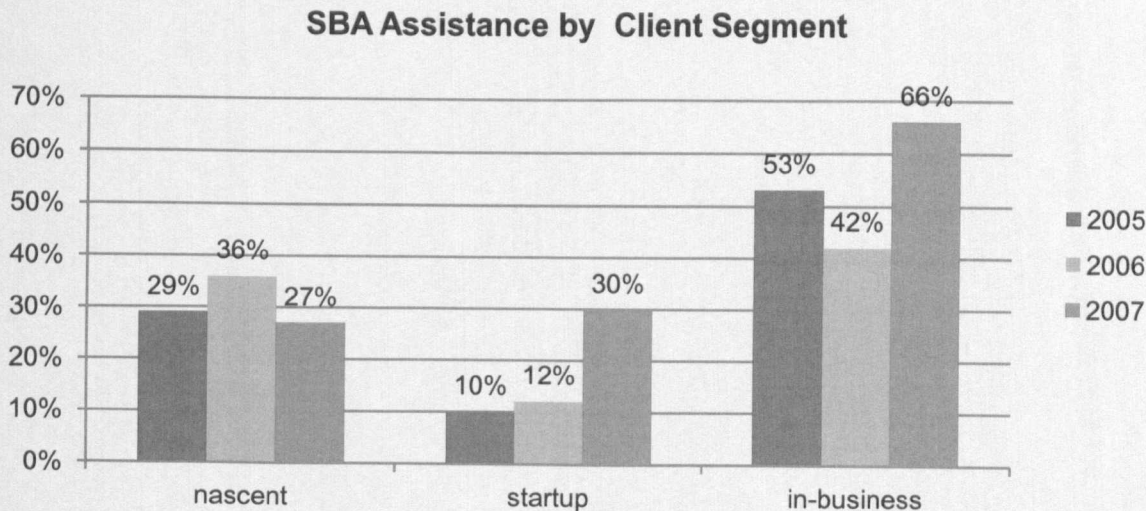
In Sweden ALMI Företagspartner provides a combination of finance and consultancy through government agencies. ALMI reported that more than 15,000 new companies have been launched with the help of finance from ALMI. ALMI’s support services cover idea generation to management and development support for established ventures. They define three business areas based on the different client needs – innovation, new enterprises and established businesses. Within these three areas ALMI offer two services – funding and

business development services. The objective is to launch and develop businesses that are viable and to ensure new venture growth and competitiveness. ALMI has advisors across the country that provide advice and assess project feasibility. The advisors also provide coaching, financing assessment, financial planning and networking support.

**USA**

The US has a designated SME authority, the Small Business Administration (SBA). The SBA is an umbrella organisation with special authority to develop, coordinate and deliver SME policy objectives. (The UK's Small Business Service (2004) was designed in a similar way). The SBA provides financial assistance, grants, contracting opportunities, disaster assistance, online training, counselling and assistance, compliance assistance, laws and regulations, and special interest support (such as veteran, women and youths). In the United States, similar to Sweden, the stage of entrepreneurial development is essential to the delivery of entrepreneur support. As shown in Figure 2-7 most of the individuals supported have been in business for more that 6 months (in business) followed by those who are still trying to start (nascent). The start-up group received the least support between the years 2005 and 2007. The knowledge of such data helps inform policy, service development, and product delivery.

**Figure 2-7 SBA Assistance by Client Segment**



**Bangladesh**

Bangladesh has a large number of support agencies, public and private, that support SMEs (Sarder 1995, Sarder 1997). Despite considerable support, the growth and development of the small firms sector in Bangladesh has been reported as very slow and unsatisfactory raising questions about the impact of the support services offered. In Bangladesh, Grameen



Bank is known for running one of the most successful microfinance institutions in the world, lending to the poorest groups and recording above 90% repayment. The agenda for enterprise promotion is mainly poverty reduction as evidenced by the huge numbers of charity and non-governmental organisations involved.

The synopsis of the three countries (USA, Sweden and Bangladesh) provides a view of how entrepreneurial support objectives and delivery structures vary from one country to another. However, the common thread is that the creation of new businesses for economic development (e.g. employment creation) is a priority and the main justification for investing public and donor funds across countries. The international synopsis shows that there no 'one-size' fits all structure in the provision of entrepreneurship support since it is a product of its context and the interaction between various factors. The measurement of entrepreneurial and business support services is better understood when measured within context. Any proposal for entrepreneurial support should take cognisance of the country or region context and according to Stevenson and Lundström (2001, 8), because a cohesive entrepreneurial policy is:

'impacted by a number of government policy areas: regulatory, labour market, taxation, regional development, technology, social inclusion, financing, education, trade and investment, sector, economic and even immigration policy, ... the search for the optimal structure continues'.

The next section will discuss in detail the history and development of business support in England.

## **2.6. Entrepreneurial Support in England**

The amount of investment in enterprise support in the UK has increased over the years but Global Entrepreneurship Monitor (GEM, 2008) states that entrepreneurial activity in the UK in 2008 had little changed on the previous year, continuing a pattern of no substantial change in activity rates since 2002. The Richard Report (2008) estimates the annual direct cost of entrepreneurial support in the UK at £2.5 billion and total expenditure at £10-12 billion of which almost a third is estimated to be spent on administration and bureaucratic costs. However, there has been very little independent examination of the gains of the investment in entrepreneurial support. In 2000, the new Labour Government formed the Small Business Service (SBS) which adopted the mission of making the UK 'the best place in the world to start a business' (SBS, 2001, p.2). The aim of the SBS was to develop a single delivery plan bringing together all government funded small business support in a coherent and integrated way. However, on the ground support remained fragmented and disjointed. The Business

Simplification Programme (BSP) was a simplification communicated as a programme aimed at increasing efficiency in terms of funding and accountability. It was also a cost cutting and 'thumb suck' restructuring programme. These insinuations are discussed in detail under qualitative data analysis in Chapter 5.

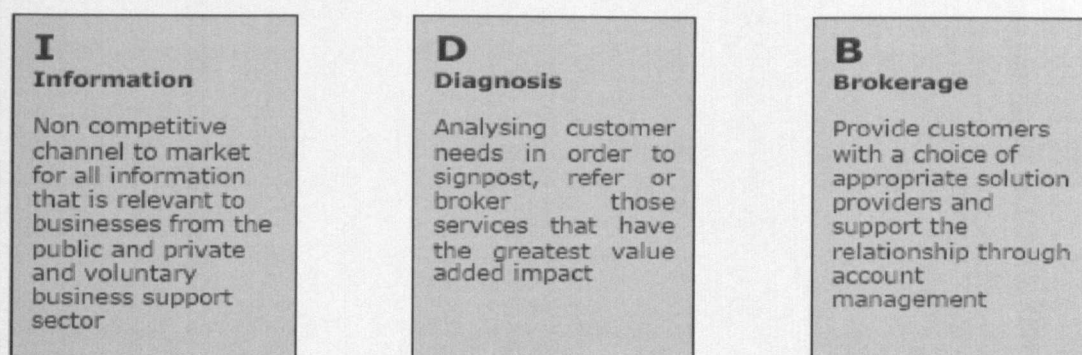
The UK Government has for long time had a strong interest in enterprise support as evidenced by the Bolton paper (1971), Bosswell report (1972), Starworth and Corran paper (1973), and Deeks report (1976) which were all part of the government's efforts to build an understanding of the importance of challenges of SMEs (Huse & Lundström, 1997). Similar to other OECD countries, the UK government has promoted entrepreneurship and SMEs as vital contributors to economic prosperity. However there has not been much independent examination of the gains of the investment in entrepreneurial support as the aims of entrepreneurial and small business policy have proved difficult to identify precisely (Curran, 2000). Business Link (BL) started as a DTI initiative, launched in 1992, to offer an England-wide network of local business advice centres to SMEs. The service spearheaded SME promotion policies of successive UK governments furthering the efforts from the 1970s and have been developed vigorously since (Curran, 2000; Storey, 1994). The 1990s were characterised by a plethora of support schemes intended to sustain this commitment to promote new business creation, and one estimate suggested there were about 200 by the mid-1990s (Gavron et al, 1998). In 1992, Heseltine (quoted in Curran 2002) suggested that: entrepreneurs and small firms were facing a 'welter of advice of variable quality from a decentralised delivery to local partnerships' By 1996 England was serviced by Business Link designed along the concept of Training and Enterprise Councils (TECs). In Scotland a system of Business Shops (BS) and in Wales Business Connect (BC) put less emphasis on a 'one stop shop' and more on a 'first stop shop', with brokerage to others service providers.

According to a Small Business Service report (2004), the UK had a highly diverse small business population ranging from high growth to purely life style businesses. A total of 4.4 million SMEs made up 99.7% of all businesses in the UK, generated 52% of total turnover, and employed 56% (12.6 million people) of the working population. The numbers stated above show that small businesses play a critical role in the UK economy. In addition the UK is ranked as first in Europe and sixth in the world in terms of ease of doing business (World Bank, 10 February 2011). The UK Government has restructured support to nascent entrepreneurs and SMEs (the business simplification agenda) and increased investment in new business creation. The simplified 2007-10 Business Link (BL) programme in the UK

offered diagnostic, information, training, advisory support and brokerage services and is reported to assist over 300,000 start-ups nationally each year.

When the service was first created there were 89 Business Link franchises (on the SBS network) but this number was gradually reduced. In 2000 the number of Business Links was taken down to 45 and these were further reduced following the devolution of responsibility for the administration of regional Business Link services to the RDAs in April 2005. From April 2005, Business Link ceased to deliver business support services directly and moved to an information, diagnosis and brokerage (IDB) model of delivery as shown in (Figure 2-8).

**Figure 2-8 IDB Model**

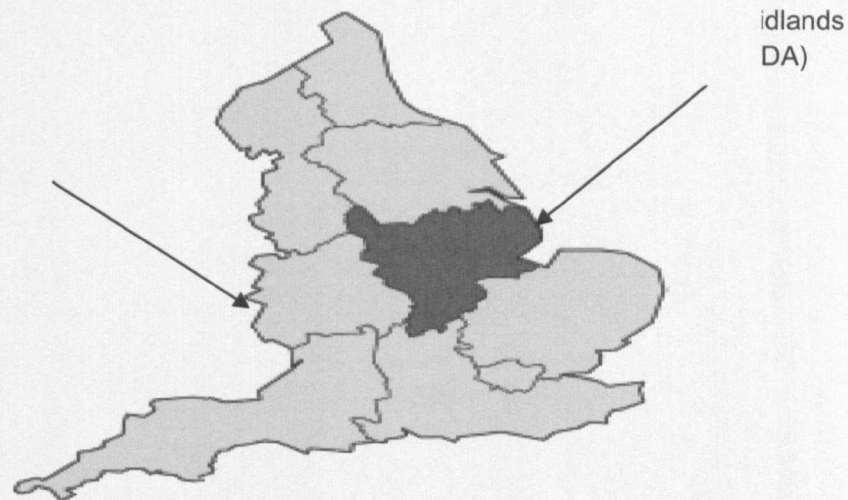


**EMDA (2008.p3)**

The introduction of IDB shifted Business Link's focus to concentrating on a market-making approach to business support. The Business Simplification Programme (2007) made Business Link the Government's primary 'multi-channel business support service in England'. Business Link continued to deliver free information and business support (IDB) to individuals and public, private and voluntary sector SMEs. The programme was coordinated on a regional basis by the respective regional development agencies. The structure changed many times from a stage where Business Link was a national product and being directly provided by the Government through to the 2007-10 contract, where even though it remained a national brand, the service delivery was coordinated by regional development agencies catering for their respective regions. Business Link services were defined within the Business Link National Framework (2005) under which a nationally consistent and integrated Business Link service. The national framework was created in 2005 and was designed to foster a wider understanding of the national brand on the part of providers. The Government charged the RDAs (Regional Development Agency) with delivering support to entrepreneurs. From 2007 there were 15 Business Link providers across the nine regions. Figure 2-9 shows the

map of England and jurisdiction of the different regional development agencies tasked with the delivery of enterprise support.

**Figure 2-9 Regional Map of England**



***UK Investment Properties (2010)***

The RDAs created new provider contracts introduced in 2007 that ensured providers contractually were obliged to operate the Business Link service within the boundaries of the national framework. The BLSS contract will be discussed in detail in later sections.

Responsibility for delivering Business Link services (apart from online services) under the 2007-10 programme rested with the nine RDAs, and the service was structured in one of three ways across the country.

- Seven of the nine RDAs had a single Business Link operator covering the whole region that operated a fully regional model of delivery. Six of these (Advantage West Midlands; East Midlands Development Agency (EMDA); One North East; East of England Development Agency; London Development Agency; and Yorkshire Forward) had contracted a single private company to deliver the Business Link service within their region. The Northwest Development Agency, although having chosen to operate a single Business Link in its region, did so having elected to retain in-house responsibility for service delivery. As such, it had full control of all aspects of Business Link operations within its region.
- In contrast to this, the South East England Development Agency (SEEDA) and the South West Development Agency retained a sub-regional model for delivering Business Link services. SEEDA contracts Business Link services out to six contract-holders, which operated under a consortium model, offering local points of access



into the service for the following counties: Berkshire; Hampshire & Isle of Wight; Kent; Milton Keynes, Oxfordshire and Buckinghamshire; Surrey; and Sussex.

- The South West Development Agency had two Business Link contract-holders or “delivery partners”.

There are challenges in cross-region studies because of local context and variations of delivery models. This study focuses on the East Midlands region to capture the county/provider variations in the delivery and context the start-up programme, the results are expected to be comparable since the delivery is managed by a single contract, EMDA and East Midland Business (EMB).

## 2.7. Entrepreneurial Support in the East Midlands

At the time of the study, the East Midlands region was ranked fourth in the UK in terms of area (15,627 km<sup>2</sup>). It was ranked 8th on population with a population of just over 4 million people of which 2.04 million were males and 2.12million were female. The population density was 267/km<sup>2</sup> while GDP per capita was £17,698 (ranked 5th). Figure 2-9 shows the regional county map. The largest numbers of new enterprises were in the largest conurbations; Derby, Leicester, Nottingham and Northampton. Figure 2-10 shows the county map of the East midlands.

**Figure 2-10 East Midlands Regional Map**



*University of Leicester (2010)*

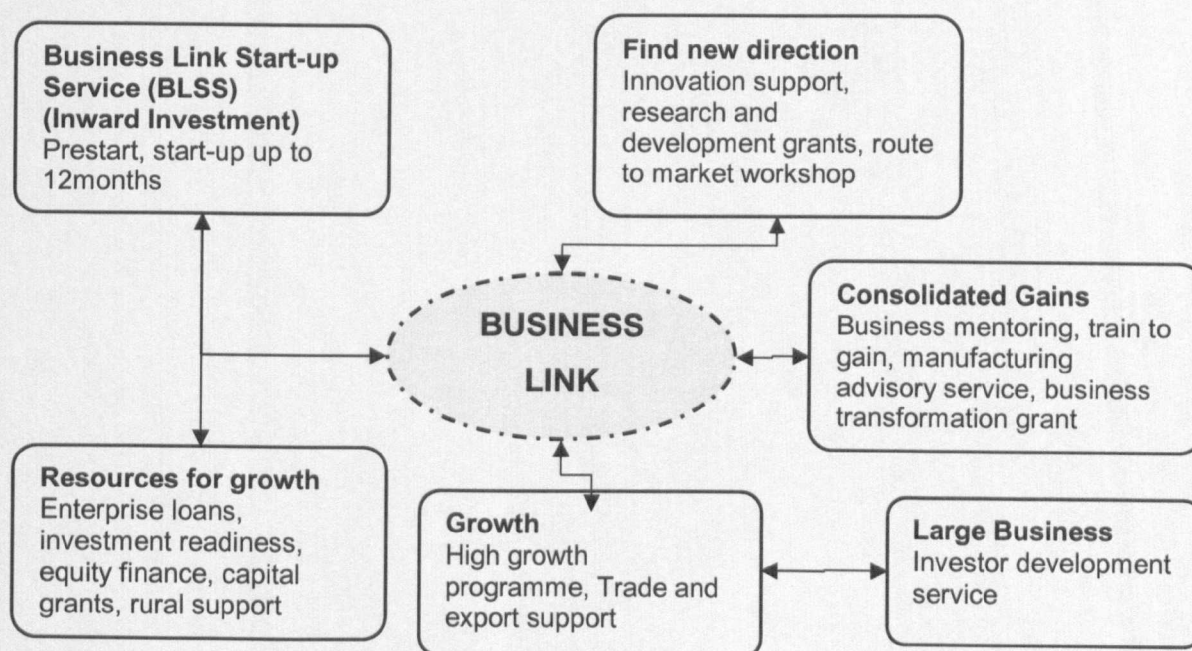
## East Midlands Development Agency (EMDA)

The regional development agency in the region was EMDA (East Midlands Development Agency). East Midlands Development Agency (EMDA) was one of nine Regional Development Agencies in England, set up in 1999 by the Government to bring a regional focus to economic development. EMDA reported into the Department for Business, Innovation and Skills (BIS, then BERR) but worked with a wide range of other government departments and partners. EMDA was funding business support and investment, innovation, employment, learning and skills, sustainable development, international trade and inward investment, and tourism and culture. East Midlands Business (EMB) managed the BLSS contract on behalf of EMDA. According to EMDA (2010), SMEs employ 1.4 million out of a total workforce of 2 million people in the region. The main goal of EMDA entrepreneurial support was to help businesses in the region start, grow and compete more effectively and more profitably. The region's working definition of enterprise support was:

'Any activity that supports the creation and survival of businesses, increases SME profitability and assists business development and growth. It incorporates information, advice, training and consultancy' (EMDA Corporate Plan 2008-11, p2).

Business Link in the region was structured to deliver support to entrepreneurs and enterprises at different stages of new venture creation which include pre-start, start-up, growth, development, consolidation and transformation as illustrated in Figure 2-11.

**Figure 2-11 Cycle of Business Growth**



EMDA (nd.p2)



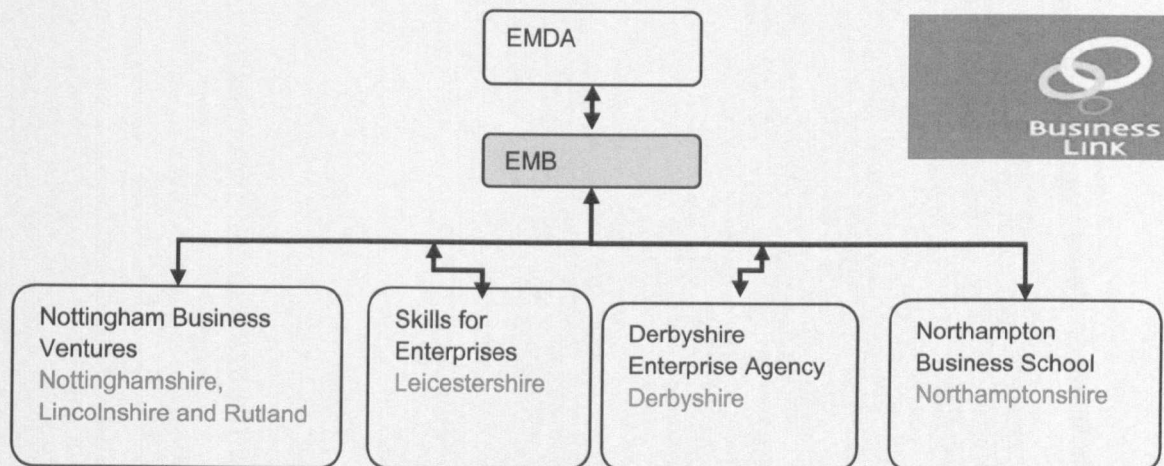
### East Midland Business BLSS Structure

The provision of BLSS in the East Midlands was coordinated by EMDA and managed by EMB. EMB was set-up by EMDA to manage and coordinate the delivery of Business Link support in the region. The services Business Link Contractors reported to EMDA and EMB. EMB was the direct contract manager reporting to EMDA. There were four business link contractors (BLCs) in the region providing service to five different counties. The four BLSS providers were:

- i. Nottingham Business Ventures which covered Nottinghamshire and Lincolnshire,
- ii. Derbyshire Enterprise Agency covering Derbyshire,
- iii. Skills for Enterprise supported Leicestershire, and
- iv. Northampton Business School for Northamptonshire.

Figure. 2-12 shows the regional structure.

**Figure 2-12 BLSS Regional Structure**



### BLSS contracted outputs included:

- Number of businesses started
- Number of jobs created
- Number of people / businesses receiving mentoring
- Number of people receiving training, and
- Number of businesses surviving after 12 months.

The annual targets were set by EMDA for the period 2007-2010 and included number of businesses created set at 2,500 per year. The next section discusses the BLSS structure of the East Midlands, starting with EMB (contract managers), the contractors (NBV, S4E, NBS and DEA), and the RBSIS.

### **East Midlands Business Limited**

EMB managed the East Midlands BLSS contract on behalf of EMDA. EMB specialised in public sector contracts, managing grants and run a number of European funded projects. EMB's main customers were Regional Development Agencies (e.g. EMDA), the Learning and Skills Council (LSC), UK Trade and Investment (UKTI) and Local authorities (e.g. county and borough councils).

### **Nottingham Business Ventures**

NBV was established in 1982 and was an IIP (Investor in People) and ISO (International Standards Organisation) accredited organisation providing support to nascent entrepreneurs and small business. NBV had Small Firms Enterprise Development Initiative (SFEDI) accredited advisors and trainers and was a member of the NFEA (National Federation of Enterprise Agencies). NBV was reported to have helped over 60,000 potential business start-up clients throughout the East Midlands.

### **Skills for Enterprise**

Skills for Enterprise (SfE) was a not-for-profit organisation established to support individuals and businesses. SfE provided skills development and enterprise support. Skills for Enterprise offered: business advice and mentoring, Business Link workshops, Business Link outreach support project, workshops, and Leicester business women events (e.g. WINE)

### **Derbyshire Enterprise Agency**

Derbyshire Enterprise Agency (DEA) worked with small firms and individuals. DEA offered business start-ups in Derbyshire: advice and information, mentoring and guidance, business training and development workshops, networking events and managed workspace (e.g. Brian Clough Business Centre, Derby). DEA was a wholly owned subsidiary of Derbyshire and Nottinghamshire Chamber of Commerce. Services could be accessed at a number of key locations such as the Agricultural Business Centre in Bakewell, George Holmes Business Centre in Swadlincote, municipal buildings in Glossop, Bolsover, Ripley and Buxton.

### **Northampton Business School**

Northampton Business School was established in 1982. The school has a long history of providing enterprise support through projects such as EQUAL<sup>i</sup>, Women4Business and collaboration in the COPIE<sup>ii</sup>, Wikipreneur, and eWORLD which were multinational enterprise



research projects. NBS had SFEDI accredited advisors and trainers and a member of the National Federation of Enterprise Agencies (NFEA).

### **Regional Business Support Information System (RBSIS)**

To support the Business Link service across the East Midlands, EMDA contracted Silverbear (a software development company) to develop the Regional Business Support Information System (RBSIS) to record client details, interventions and outcomes. RBSIS was also developed to support the promotion of business support, managing events, co-ordinating publicly funded support and replacing five separate systems that were in use around the region prior to April 2007. RBSIS Customer Relationship Management (CRM) was meant to provide a platform to capture customer information and also the mechanism to follow-up within agreed deadlines. The system was web based and no significant IT infrastructure was needed by BLCs.

RBSIS was designed to:

- i). Store details for business contacts and companies in the region
- ii). Record details of business support interactions with individuals and businesses
- iii). Facilitate client follow-up
- iv). Provide access to Service Provider Register via a Brokerage mechanism
- v). Be a single repository of information on both public and private sector business support across the region
- vi). Generate the management information and ad-hoc metrics by which EMDA and partners could monitor and measure success (knowledge bank).

## **2.8. Overview of BLSS Service 2007-10**

The Business Link Start-up Service (BLSS) provided entrepreneurs with advice and support required for start up, through the provision of 'generic advice to customers on a wide range of business topics'. This study focuses on the Business Link Start-up Service which is one component of business support targeted at prestart entrepreneurs and start-up businesses in the East Midlands. The contract under review in this study is the Business Link Start-up Service (BLSS), which ran from the 1st of April 2007 to the 31st of March 2010. Under BLSS entrepreneurs and start-up businesses could access up to eight free training workshops (of up to six hours) each, up to eight hours one-to-one advisor sessions, a mentor (for up to 12 months from start date) and to a limited extent grant finance for start-up (only if they lived in certain postcode areas). BLSS aimed at the creation of sustainable new businesses in the East Midlands. The service was targeted at anyone in the region thinking of developing and

starting a business, and those running a new business (within their first 12 months of trading). Another aim of the BLSS was to stimulate an enterprise culture by raising aspirations by increasing awareness and penetration.

## **2.9. The BLSS – by the Products**

The BLSS was delivered through interactions on the telephone, email, website, white mail, SMS, drop in sessions, events and workshops, advisor and / or mentoring sessions. This section will discuss the BLSS' main service delivery products.

### **Training**

Training workshops were provided across all the Business Link agencies in the UK though there were variations in the content and structure of workshops. Training was promoted on the merit that level of education, work, experience and training (broadly clustered as human capital) is considered key for entrepreneurial success for both starting up and subsequent growth (Shane 2000, Davidsson and Honig 2003). The training workshops that were offered in the region are outlined in the workshops' content table 2-2.

**Table 2-2 Synopsis of Training Workshops**

| <b>Workshop</b>                                   | <b>Content and description</b>  |
|---|---|
| Workshop 1<br>Is It For You And Deciding To Start | All aspects of running a business including, business planning, marketing, operations, cash flow forecast and profit projections.<br><br>The workshop included, a review of the skills required, the benefits and pitfalls, the legal implications of being self employed, the value of business and financial planning, marketing among other topics.<br><br>It covered the practical issues and decisions in running a business, legal issues and financial responsibilities, online and off line resources, checklists and where to go for further help. |
| Workshop 2<br>The Business plan                   | Principles and practices of business planning, techniques and tools for developing and customising the business plan for different audiences  |
| Workshop 3<br>Sales and Marketing                 | Marketing and market research, branding of product or service, understanding the product, simple sales techniques   |
| Workshop 4<br>Financial Planning                  | The importance of preparing a Personal Survival Budget, product pricing, break even planning and cash flow forecast.  |

| <b>Workshop</b>                           | <b>Content and description</b>   |
|---|--|
| Workshop 5 & 6<br>Managing Money and Risk | Financial records, monitoring income and expenditure, tax, national insurance and VAT, risk and debt management, terms of trade for business.  |
| Workshop 7<br>ICT and ecommerce           | Designing and developing website, choosing the right telephone, hardware and software systems, understanding email, the internet and computer networks, and protecting business from ICT misuse. |
| Workshop 8<br>Employing People            | The role of an employer, the legalities and implications surrounding HR, HR processes and procedures, examples of best practice.   |

***BLSS Workshops Synopsis (nd.p1)***

### **One to One Advice**

BLSS provided one to one advice to nascent entrepreneurs across the East Midlands region. This was delivered through the Business Link Contractors who employed business advisors to meet with nascent entrepreneurs. The role of the business advisor was changed in the 2007-10 contracts and the emphasis was on brokerage and referral rather than direct help. This service was available to any individual who would need one-one meeting with a professional business advisor. Discussions ranged from business idea to cash flow planning. At the end of each session the advisor and client would come up with an action plan of what to do next and how the plan was to be followed up.

### **The Business Link Website**

The BLSS complemented the information contained on the Business Link web site ([www.businesslink.gov.uk](http://www.businesslink.gov.uk)). All Business Link clients were recommended to access and use the web site throughout their contact with BLSS. The marketing material contained BLSS website and central email.

### **Enhanced Services**

These services were specific to specific areas within the region. Under the enhanced service Leicestershire was offering business support for women and in Northamptonshire there was start-up finance (Pathways Finance) for individuals from specified areas (priority areas) to start-up.

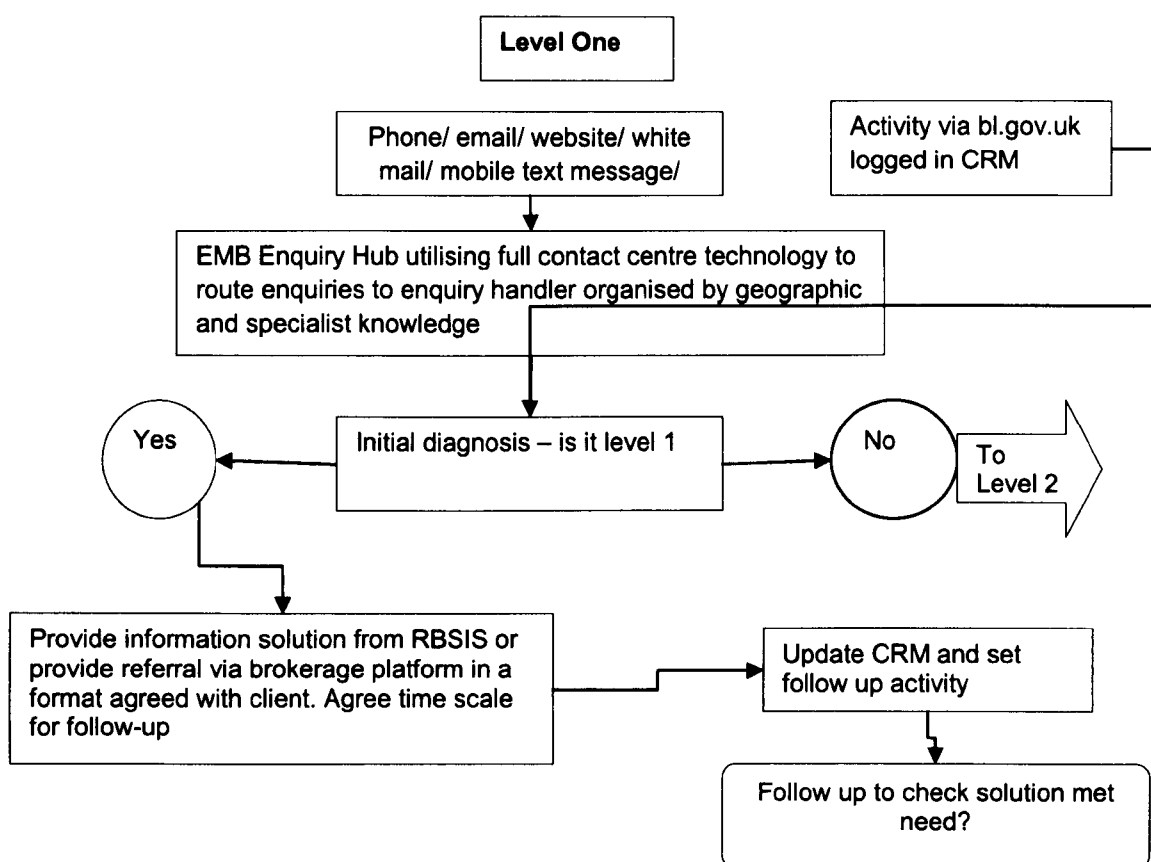
## **2.10. The BLSS – by Engagement Level**

There were three primary levels of BLSS intervention:

- I. Level 1 was basic information provision which was activity supported through the Regional Enquiry Hub and the website:
- II. Level 2 engagements were delivered through events and workshops;
- III. Level 3 engagements were delivered by business support advisors and mentors in face to face, phone or email contact.

Clients engaged with Business Link at many different levels during their entrepreneurial developmental journey. All service delivery was organised by geographic location and nascent entrepreneurs were advised to get support from a contract within a BLCs catchment area. The primary levels of engagement 1, 2, and 3 are presented in Figure 2-13, 2-14 and 2-15 respectively.

**Figure 2-13 Level One Intervention (Phone/ email/ website/ white mail/ SMS/ drop in)**

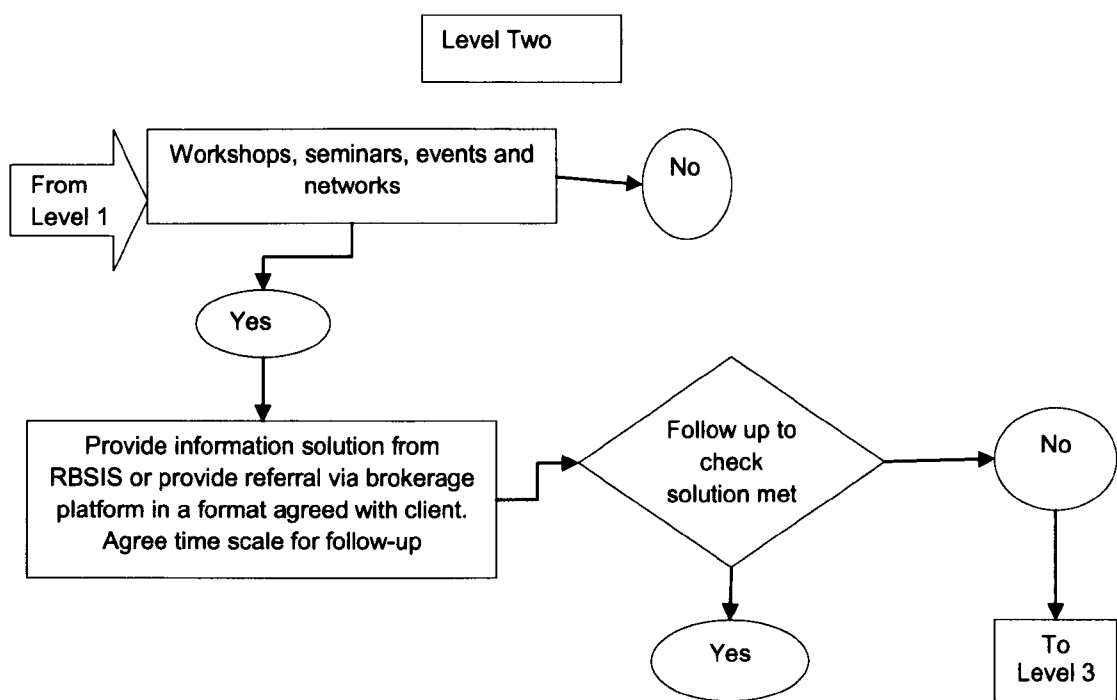


**EMDA (2008. p9)**

Level 1 (shown in Figure 2-13) is basic information provision which was an activity supported and mainly delivered through the Regional Enquiry Hub and the [www.businesslink.gov.uk](http://www.businesslink.gov.uk) website. Level 1 intervention entailed minimal contact with the client and could be through intermediaries. A telephone call, an email inquiry, a letter or mobile text message (SMS), a recordable website visit (or inquiry) and receipt of BLSS literature (fliers and leaflets) were level 1 interventions and the client was counted as soon as their details were put on record.

The telephone handler at the Hub would respond to an inquiry by checking for solutions from the BLSS provision. The options would include sending an information pack, referring to training, referring to meet advisor or mentor and /or providing details of private sector suppliers (e.g. accountants, lawyers). The diagnostic efforts at the Hub on what the nascent entrepreneur needed to progress to start-up could lead to the client being referred to a BLC (within their geographic area) to access level 2 interventions (Figure 2-14) or being saved on the system for follow-up at a later date. However, at the stage of initial Hub contact, the Hub recorded the client as a level one intervention (an output) and which would also count towards market penetration targets.

**Figure 2-14 Level 2 engagements are delivered through events and workshops**



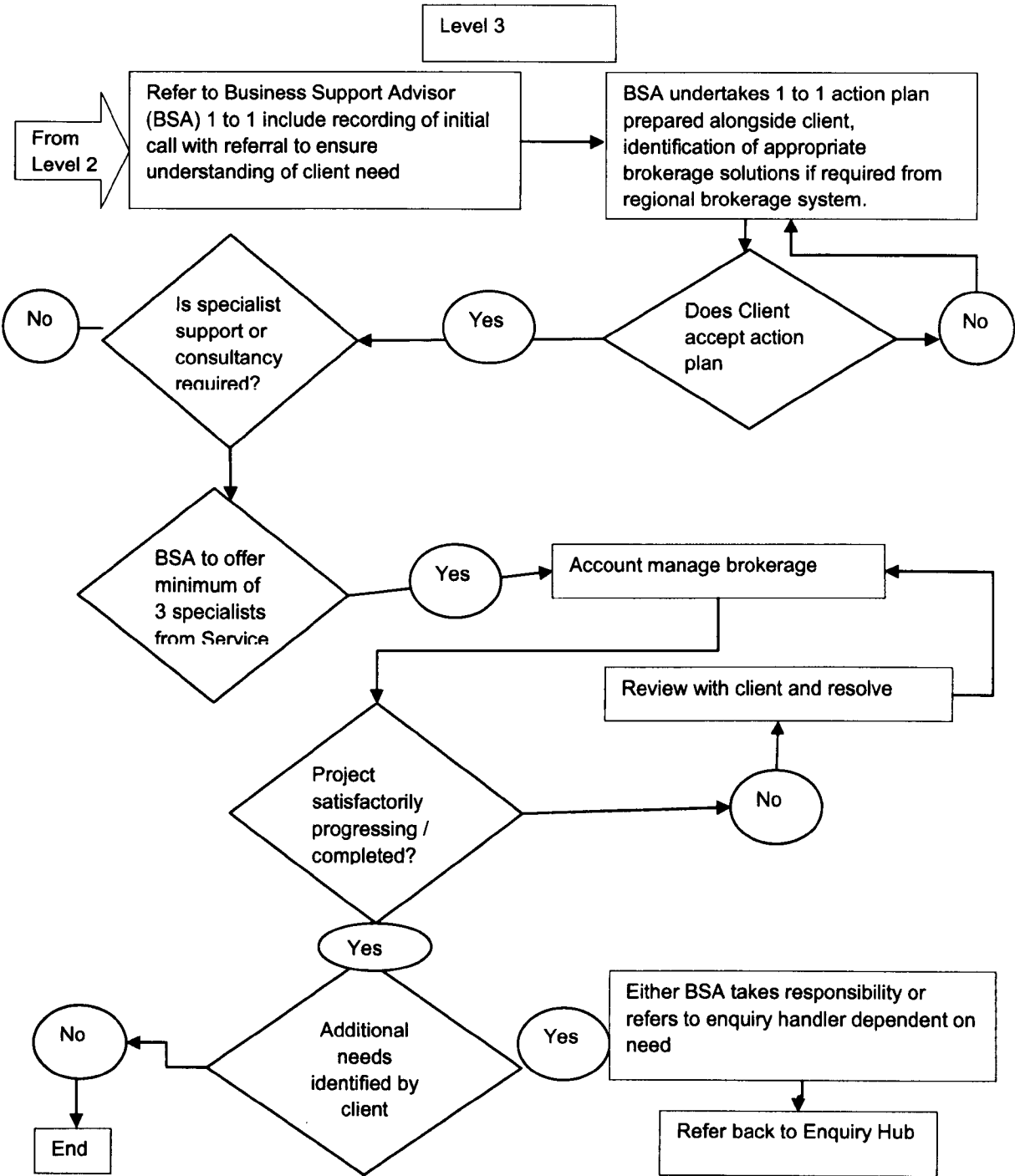
**EMDA (2008.p9)**

Level 2 interventions, the T6 target, had high targets and a correspondingly high volume of participation. T6 was a measure of the number of people (over the age of 18 years) who attended over 6 or more hours of BLSS branded entrepreneurship workshops. The targets and the challenges of meeting them is discussed in detail in Chapter 5. Several events and exhibitions across the counties such as Women Inspiration Network (WINE) in Leicestershire and Business Link or HRMC business start-up exhibitions were open to nascent entrepreneurs.

Level 3 engagements were delivered by Business Support Advisors (BSAs), either working face to face or via the phone or email. Advisors were required to deliver one to one service including intensive support required for those businesses capable of growth or facing

significant change in their operating environment. Individuals that met BSAs would have been referred from level 1 or 2. Figure 2-15 shows the level 3 process flow.

**Figure 2-15 Level 3 Intervention (Intensive Assistance)**



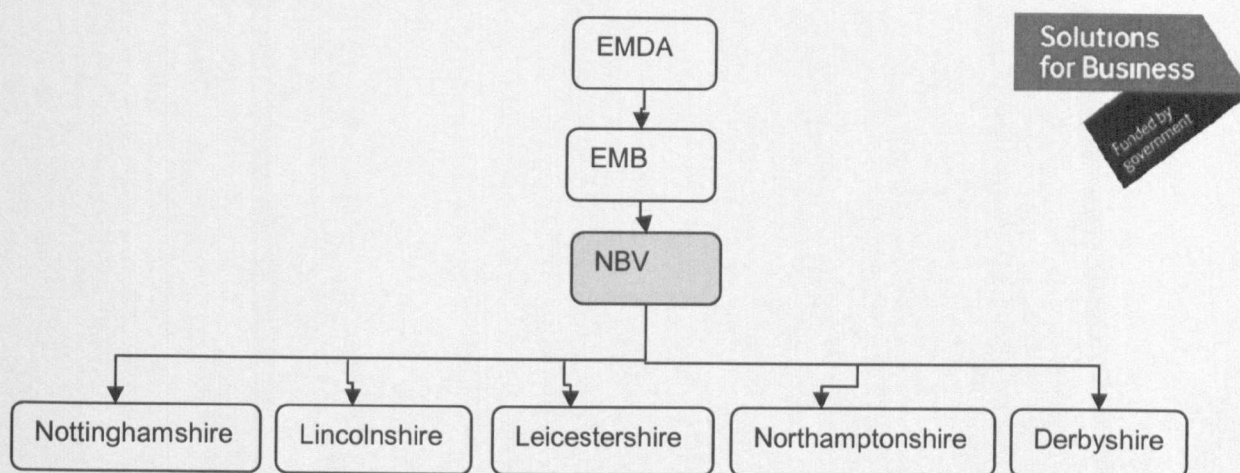
**EMDA (2008.p10)**

The Business Link Start-up Service came to and end on the 31<sup>st</sup> of March 2010 and a new format of business support programme took effect. The next section gives a short review of the delivery of Solutions for Business programme in the East Midlands.

### 2.11. Solutions for Business: 2010 Onwards

As the UK Governments pursued further business support simplification, the existing Business Link programme came to an end on the 31st of March 2010 and emerged in the form of Solutions for Business (S4B) package. The East Midlands Development Agency awarded a single contractor to deliver solutions for business (Business Link) from 1st of April 2010 onwards. Figure 2-16 shows the future delivery of BLSS from 2010 onwards.

**Figure 2-16 Solutions for Business**



The prospects of the solutions for business lie in the ability of the sole contractor NBV to partner strategic local partnerships in the delivery of locally enhanced services. As will be discussed in detail in Chapter 5, the emerging themes show that the S4B programme was implemented out of a need to cut costs and without careful evaluation of the positive and negative aspects of the BLSS.

### 2.12. Conclusion

Entrepreneurship is a concept that has received great attention over the years as evidenced by the initiatives many governments have put in place. The general thrust of business support has been to boost new business creation for many different but interrelated outcomes such as employment creation, societal regeneration, poverty reduction, innovation and economic growth. Different countries (regions) have followed different models to enterprise promotion tapping into the specific requirements within their local context. The

delivery structures and services have also changed over time to adjust to changing needs with the developments in internet, communication and technology (ICT). The UK is no exception as the business simplification agenda continues into 2011 with the launch of Solutions for Business. The next chapter will discuss the development of research and literature in entrepreneurship and enterprise support. The case for this study is illuminated in the literature review which shows how this study fits and contributes to knowledge in entrepreneurship.



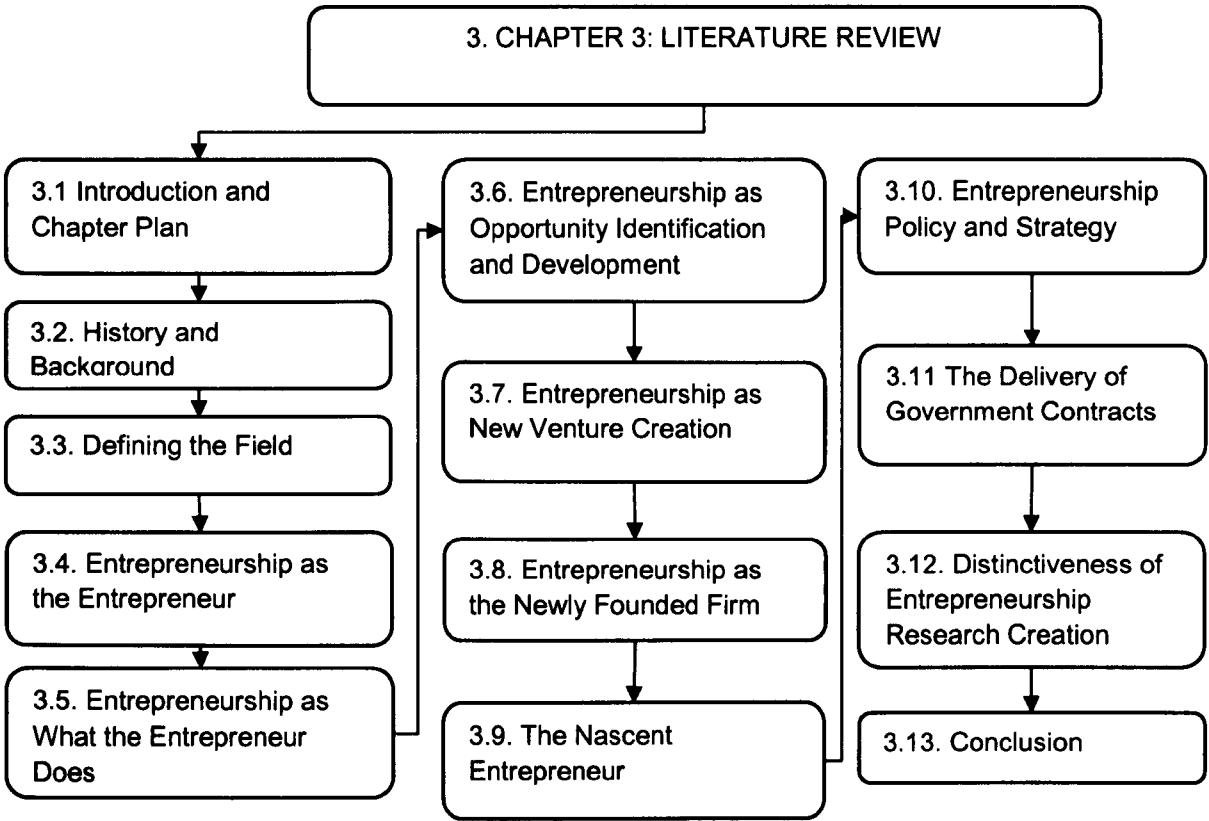
## **CHAPTER 3: LITERATURE REVIEW**

### **3.1. Introduction and Chapter Plan**

This chapter discusses literature in entrepreneurship, its history, importance and definitions, entrepreneurship research development, nascent entrepreneurship, opportunity discovery and exploitation in entrepreneurship, and the role of entrepreneur and enterprise support in new venture creation. The chapter develops the scene of this study by acknowledging previous research, critiquing the research progress in the field, demonstrating how this study fits in the research framework, and how it contributes to knowledge. In an effort to gain order and direction from diversity in research, this thesis also reviews the major conceptualisations, definitions and measurement approaches in entrepreneurship research and considers implications of the same in this study. The aim of this chapter is to discuss the extant of literature and the knowledge gaps in order to locate the study within the existing literature. This thesis looks at the delivery of BLSS and nascent entrepreneurial progression to starting a new venture. The study uses entrepreneurship theory (new venture creation activities, nascent entrepreneur development, and human capital factors) to review the BLSS programme and its impact on nascent entrepreneurs. It is evident in the discussion that follows that entrepreneurship theory and business support evaluation have not been linked in literature. The detailed history and background, definitions, many perspectives of entrepreneurship are discussed to show the research gap that this study aims to contribute to filling.

The main objective of entrepreneurship research (outside economic history studies) is to try and explain why some individuals succeeds at identifying opportunities and creating new ventures, while others do not (Shane and Venkataraman 2000, Aldrich and Martinez 2001, Delmar and Davidsson 2003, Davidsson and Honig 2003). From the definition of an entrepreneur, personality traits, behavioural studies, opportunity identification research to the evolutionary approach (Aldrich and Martinez 2001) the focus is to identify the factors that define a successful entrepreneur to allow effective allocation of resources for their development. The quest continues to increase individuals' propensity to create new ventures by boosting awareness, training, funding etc. This chapter is a discussion of entrepreneurship research development, the opportunities and challenges, the position for this study, and how it contributes to knowledge. Chapter 3 is laid out as shown in Figure 3-1.

**Figure 3-1 Chapter Three Layout**



As noted in chapter 2, governments across the world seek to promote entrepreneurship as a source of employment creation, economic diversification, societal regeneration, poverty reduction among other causes. Limited academic studies have been carried out to study the mechanism by which government funded entrepreneurial support aids new venture creation and its resultant impact on economic development.

**3.2. History and Background**

Entrepreneurship has a long history of research within economic history which dates back to the 17th century with the writings of Cantillon (circa 1680 -1734), Jean Baptiste Say (1767-1832), Frank Knight (1885-1972) and seminal work of Schumpeter (1934). More recent publications include Acs (2006), Minniti and Levesque (2008), Wennekers et al (2005) and Lévesque et al (2009). In the 1980s, Wortman (1987) noted that entrepreneurship had become one of the most promising management research fields in the previous decade. The volume and scope of entrepreneurship research has increased over the years and grown from what could be described as a narrow and sparse knowledge base to a stage where the volume of research in entrepreneurship has exploded (Blackburn and Smallbone, 2008).

A search for 'entrepreneurship' on EBSCO Host (13 October, 2010) produced 57,148 articles (journals, book chapters) with a publishing date range of 1888-2010. Of these 25,636 were full text articles, with 11,240 being peer reviewed. A count on EBSCO host shows that between 1888 and 1987 there were only 1,214 peer reviewed full text articles. In only twenty-two years (1988-2009) a total of 10,003 articles were published. This shows the explosion that Blackburn and Smallbone (2008) highlight. Non-business journal publications such as Engineering Technology, Journal of American History and Mechanical Engineering have also published articles on entrepreneurship, innovation and new business creation. This clearly shows that entrepreneurship articles have grown in numbers and breadth in recent years and are gaining access to peer reviewed academic journals. Lucas and Cooper (2006) state that the last forty years, in particular, have seen increasing attention being paid to the investigation of factors affecting entrepreneurship and new venture creation.

Some of the factors causing an increased interest have been highlighted in Chapter 2. The factors are mainly the market and economic disequilibrium caused by the 1970s fuel crises which led to the large companies crises (Huse and Lundström, 1997), the progressive economic liberalisation of China from 1976 onwards, and the fall of communism in the former USSR. The importance of new business and SME's was highlighted when Birch (1979) and Blau (1987) who noted that the proportion of self employed people in the US had increased since the 1970s due to changes in technology, industrial structure, tax rates and social security retirement benefits. In Europe, Blackburn and Smallbone (2008) state that the continued poor performance of the UK economy of the 1970s, when large firms were increasingly failing to create employment, underlined the need for a research base focussing in entrepreneurship.

In line with the change in the economy, Cowling et al (2004) confirm that there was a major shift of focus of the UK government economic policy throughout the 1980s away from the larger firms towards small firms and the self employed. As noted earlier, the interests of governments in the promotion of entrepreneurship include employment creation, societal and economic regeneration, and economic growth. The media (television, print, and internet) have all shown great interest in entrepreneurship, entrepreneurs and new enterprises as mainstream and television programmes such as The Apprentice© and Dragons Den© are being produced. Multilateral agencies (e.g. World Bank, ILO, IFC and IMF), the European union, UK national government, regional and local agencies have also facilitated the promotion of enterprise such as the Start and Improve Your Business programmes of the

ILO. The economic changes, the governments’ effort, the multilateral agencies investment and the media interest arguably highlight the increased focus on entrepreneurship.

Much the public sector effort has been stimulated by the desire to identify methods of encouraging entrepreneurship as a way of increasing new firm formation rates to enhance regional and national economic development (Oakley 1988, Storey 1994). Government business support strategies continue to evolve in view of the findings of the late 1980s that not every start-up is equally important, some contribute more and should be targeted and supported. This concept of promoting ‘gazelle’ firms (Birch, 1987) is commonly known a high growth start-up support strategy, however the challenge lies with identifying gazelle firms at the pre-start stage.

3.3. Defining the Field

The field of entrepreneurship is broad and includes studies on small business, enterprise development, innovation and enterprise management. According to the SBS(2004), there are seven distinct areas of entrepreneurship; (i) enterprise culture, (ii) start-up market, (iii) capacity for small business growth, (iv) access to finance for small businesses, (v) social enterprise, (vi) Small to Medium Enterprise (SME’s) access to Government services, and (vii) entrepreneurship / SME regulation and policy framework as shown in figure 3-2.

Figure 3-2 Areas of Entrepreneurship

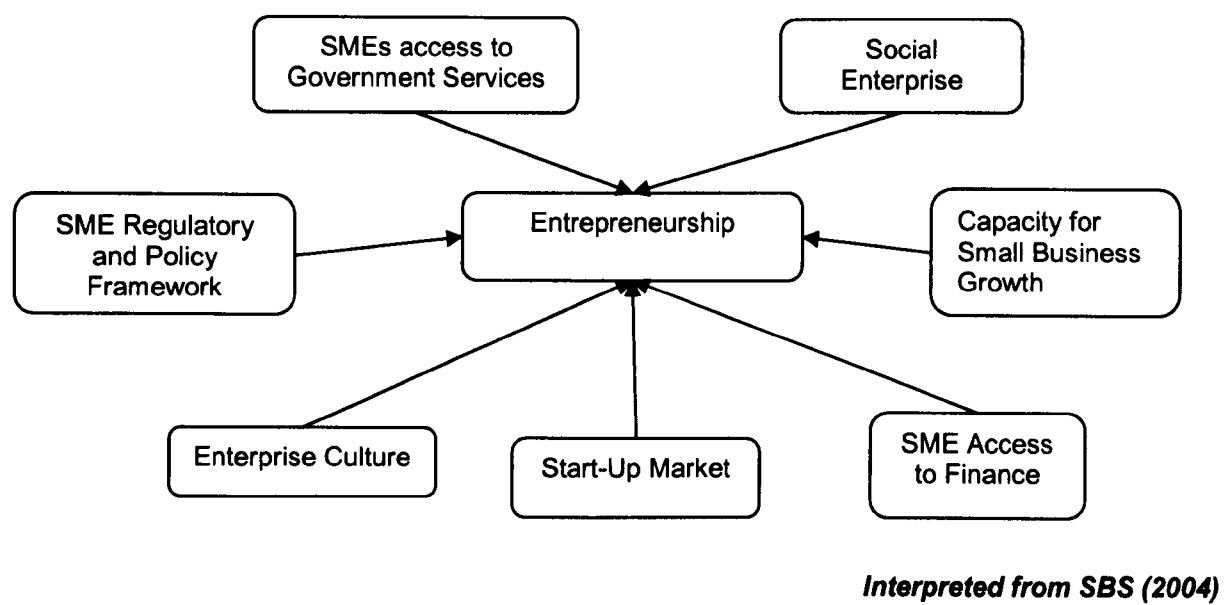


Figure 3-2 shows how broad the field of entrepreneurship is, as will be explained later in this chapter, and this can be used as a justification for limited research depth and fragmentation of research.

Despite the long history of research, increased interest in the subject, and the high number of publications, research progress in entrepreneurship has been slow and is characterised by somewhat nebulous definitions characteristic of an emerging discipline. Cole's comment (Cole, 1969 quoted in Gartner 1989, p.47) arguably remains relevant today states that:

'My own personal experience was that for the ten years we ran a research centre in entrepreneurial history, for ten years we tried to define the entrepreneur. We never succeeded - each of us had some notion of it, what he thought was, for his purpose, a useful definition. And I don't think you are going to get further than that'.

Cole's reference is 'ancient', but remains relevant to the challenge of defining entrepreneurship more than sixty years on. Defining the domain of entrepreneurship (entrepreneur, enterprise) has proved to be a daunting challenge and generally there is no agreed definition of what researching in this field involves. Bruyat and Julien (2001) state that although entrepreneurship is of fundamental importance to economic development and with many researchers throughout the world focused on it, there is no agreement yet as to the research object (for example entrepreneur, enterprise).

The lack of research progress has been attributed to the multidisciplinary (seven distinct areas of research noted at the start of this section) nature of the field characterised by limited follow-up and testing of proposed models or theories. Tamasy (2006) notes that entrepreneurship is a multifaceted phenomenon that has attracted increasing attention of researchers from various disciplines such as economics, business administration, sociology, psychology, and economic geography. Researchers from other disciplines have tended import 'home' discipline practices and methods into the research of entrepreneurship (Wortman, 1987). Gartner (2001) states that despite the number of published papers and multiple discipline research, the major weakness is that researchers from one discipline have tended to ignore studies from other disciplines and to date no generally accepted theory of entrepreneurship has emerged. Despite limited literature build up and testing of proposed theories, some aspects of entrepreneurship research have recorded significant progress and this is discussed in later sections. In a critique of entrepreneurship literature and research, Low and MacMillan (1988) indicate a general lack of purpose, theory, definitions, lack of clarity in terms of level of study and limited longitudinal studies. This is attributed to the multidisciplinary nature of the subject in that it cuts across psychology, sociology, economics and business management and thus there has been limited knowledge build up. Another limitation to the study of entrepreneurship has been researchers focus on it as a static

phenomenon instead of looking at it as an evolutionary process that involves behaviours and actions in the new venture creation process.

A review of literature shows that defining entrepreneur, enterprise and entrepreneurship is a challenge. The definitional challenge in entrepreneurship is related to its multi-aspectual nature and embeddedness of factors and processes which include the individual (entrepreneur) who creates (process) a business (enterprise) within a context (business environment). Gartner (2001) concluded that entrepreneurship is a giant animal (elephant) being examined from different angles (disciplines) with each researcher (blind man) coming up with a partial explanation of what the giant animal looks like. Research in entrepreneurship has suffered from two extremes of constricted and narrow definitions, and extremely broad nebulous definitions that include studies of small business management. Blackburn and Smallbone (2008) note that in the UK the distinction between entrepreneurship (new venture creation) and small business management research is fuzzy. However, despite these definitional issues, the field of entrepreneurship has received great national and international attention as politicians, business people, charities, and academics acknowledge the importance of new business creation and SMEs' growth to economic development (Acs et al., 2007).

Academic researchers and other writers in the field of entrepreneurship have tended to focus definitions of entrepreneurship around the description of an entrepreneur. Cole (1946) defines entrepreneurship as the utilisation by one productive factor of the other productive factors for the creation of economic good. Entrepreneurship as defined above is adding economic value and highlights action being taken by one factor (e.g. human) on the other (resources). This definition limits the scope of entrepreneurship to traditional 'production' type business and leaves out lifestyle and knowledge business.

Entrepreneurship is characterised by partial definitions (Gartner 2001). However, definitions that view the field as a process of new venture creation best capture the scope of the field. Olm and Eddy (1984) conceptualise entrepreneurship as the starting and operating of a new business. This is supported by Gartner (1985) who defines entrepreneurship strictly as the process of setting up new ventures. Whilst the definition covers greater scope the definition of entrepreneurship as new venture creation has been criticised for selection bias (Denrell, 2005) and its inability to incorporate individuals, activities and behaviours of those that give up or are continuously trying to set up a business. The Gartner new venture creation view of entrepreneurship could be further critiqued for being a single event, single output definition whereby the attempt to set up a new venture only leads to the creation of a new venture.

As shown Table 3-1, definitions of entrepreneurship range from those in economics (Schumpeter and Backhaus, 2003), and psychology (McClelland, 1965) and to those empirically derived (Brockhaus 1980, Brockhaus 1987, Hornaday and Bunker 1970).

**Table 3-1 Definitions of Entrepreneurship**

| Author (Year)  | Aspect           | Definition  | Key Words   |
|--|------------------|---|---|
| Oxford English Dictionary                                | Entrepreneur     | <i>'organises, manages and assumes risks of a business enterprise'</i>  | Organise, manage, risk, enterprise                  |
| Richard Cantillon (1680-1734) in Binks and Vale (1990)   | Entrepreneur     | <i>'An entrepreneur operates under conditions where expenditures are known and certain but incomes are unknown and uncertain'</i>         | Risk and uncertainty                                |
| Schumpeter (1934) as quoted in Low and MacMillan (1988)  | Entrepreneur     | <i>'...carrying out new combinations...'</i>  | Innovation  |
| Knight (1921) as quoted in Low and MacMillan (1988)      | Entrepreneur     | <i>'...ability to predict the future successfully...'</i>   | Market timing                                       |
| Leibenstein (1978) as quoted in Low and MacMillan (1988) | Entrepreneurship | <i>'...ability to work smarter and harder than competition...'</i>  | Competitiveness                                     |
| Kirzner (1973) as quoted in Low and MacMillan (1988)     | Entrepreneurship | <i>'...arbitrage and ability to anticipate market imperfections and imbalances...'</i>  | Market timing                                       |
| Cole (1968) as quoted in Low and MacMillan (1988)        | Entrepreneurship | <i>'...purposeful activity to initiate, maintain and develop profit oriented business'</i>  | New business creation, management and profitability |
| Gartner (1985)   | Entrepreneurship | <i>'...the creation of new organisations...'</i>  | New business creation                               |
| Shane and Venkataraman (2000)                            | Entrepreneurship | <i>'...scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered'</i> | Opportunity, exploitation, production               |
| Carland et al.   | Entrepreneur     | <i>'an individual who</i>   | Create, manage for                                  |

| Author (Year)                 | Aspect               | Definition   | Key Words         |
|-------------------------------|----------------------|--|-------------------|
| (1988)                        |                      | <i>establishes and manages a business for the purpose of profit and growth'</i>  | profit and growth |
| Van Praag and Versloot (2007) | Entrepreneur         | <i>'owner of an incorporated business where size or age of the firm is not a deciding factor'</i>                                  | business owner    |
| Van Praag and Versloot (2007) | Entrepreneurial firm | <i>'firm that satisfies one of the variables with fewer than 100 employees, younger than 7 years and entrants into the market'</i> |                   |

#### ***Gartner (1985) modified***

The entrepreneurship definitions table above shows how differently entrepreneurship can be researched as a concept, ranging from the study of entrepreneur's traits, characteristics, intentions, and motivation, to the study of new venture creation process and the newly founded venture. Entrepreneurship can also be viewed as an event, process, and also as its outcomes (successful new venture, failed venture) and subject (entrepreneur, entrepreneurial teams). Tamásy (2006,) notes that the state-of-the-art in entrepreneurship can be described as partial explanations with many focused on attributes of entrepreneurs or characteristics of the newly founded firm.

Two years after Gartner (1985), Zimmer and Aldrich (1987) suggested it would be helpful to narrow down the definition. They defined entrepreneurship as an entrepreneur who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources and capitalizing on them. The scope of this definition covers the risk taking, organising, opportunity discovery and capitalising behaviour and profit making motivation of the entrepreneur. Notably the study of entrepreneurship cannot start and end with the creator of a business but should also capture the whole process of new venture creation which includes opportunity identification and exploitation. This is supported by Stevenson et al (1989) quoted in Morris and Jones (1994) who define entrepreneurship as the process of creating value by bringing together a unique package of resources to exploit an opportunity (not necessarily creating an enterprise). Opportunity recognition is furthered by Shane and



Venkataraman who highlight its importance in entrepreneurship. Shane and Venkataraman (2000, p.218), define the study of entrepreneurship as: '...the scholarly examination of how, by whom and with what effects opportunities to create future goods and services are discovered'. The definition by Shane and Venkataraman (2000) captures the process (how), the entrepreneur (whom), opportunity discovery and exploitation, and the creation of good and services. Understanding entrepreneurship as a multi-aspectual process characterised by action (discover opportunity, create goods and services) is essential in developing policy or strategies to stimulate new venture creation.

In refining the process, Aldrich and Martinez, (2001) noted three elements which are key to the understanding of entrepreneurship; the process, context, and outcomes. The creation of a new venture is one (notably not the most common one) of the possible outcomes of new venture creation. Reynolds, (2000) define entrepreneurship as a process with four phases; (i) conception (ii) gestation (iii) infancy and (iv) adolescence. Within these phases several hopefuls fail to progress to the next level. The process (stages) view of entrepreneurship has brought progress in the conceptualisation, development of entrepreneurship support programmes (interventions) and progressing them from being a hypodermic concept (once-off injection) to a progressive multistage intervention approach. The GEM entrepreneurial Process and Conceptual Models are examples of development model (Figure. 2-6).

The lack of an agreed definition of entrepreneurship is attributable to the fact that few researchers from management, marketing, accounting and finance have chosen to work in this area (Wortman, 1987). As stated earlier, entrepreneurship research has been carried out in the fields of cultural studies, history, political science, education, sociology, psychology and economic development, and according to (Gartner, 2001) bringing together the strands of research has remained a challenge. Wortman (1987) confirmed that many of the entrepreneurship studies and doctoral dissertations have not been carried out by business faculty, but by researchers in other disciplines. The trend has continued and Cornelius et al (2006) affirm that entrepreneurship research has continued to gain extensive interest beyond the usual areas of management studies during the last few decades. The definitional problem continues to hamper progress in terms of establishing rigorous research foundations (theories, concepts and models). Several concepts (e.g. traits and characteristics, and demographics) and models (new venture creation, human capital theory, entrepreneurial process model) of entrepreneurship that have been proposed, have not gained respect from the main field of management. Gartner (1985) acknowledged that definitions of key words in entrepreneurship are often multiple and cause problems in research in this field. Fruitless

efforts have been deployed to develop the psychological profile for the entrepreneur (Hornaday and Aboud 1971; McClelland 1961; McClelland and Winter 1969; Schwartz and Teach 1999; Brockhaus, 1980; Litzinger 1965; and Schrage 1965). Researchers have questioned the usefulness of psychological characteristics, (Jenks 1965; Kilby 1971; entrepreneurial traits (Collins & More 1970; Schrier 1975; Shapero 1972; Collins and Moore, 1970), age (Lille 1974, Roberts and Wainer, 1968); Thorne and Ball 1981), and educational profile (Collins and Moore 1970). These efforts have been justified on the importance placed on the entrepreneur(s) in entrepreneurship as the individuals who make conceptualise and develop a business idea into a business. However, entrepreneurship does not start and end with the entrepreneur and the many aspects of it will be discussed further in subsequent chapters. Therefore, it is critical for researchers of entrepreneurship to reconceptualise the field and join the various pieces of the jig-saw puzzle to build a better appreciation of entrepreneurship (Gartner, 1989). A survey of literature in entrepreneurship shows that there are several key relationships (between the individual, the process, the new venture and the environment) that could form the basis for reconceptualising the field to allow a link between several independent clusters of study.

Tamásy (2006) noted that entrepreneurial dynamics need rethinking to allow for integration of its different aspects that have been explored from uniquely different perspectives. Progress in development of process and content models of new venture creation has been slow. Questions such as what variables should be considered, what casual relationships should be examined in the establishment of new ventures, what patterns and sources of finance are cost effective, cannot be effectively answered without a common understanding of what entrepreneurship is. What is an issue of concern, as stated by Kirzner (1982) is not only the lack of consensus but the lack of commonly shared understanding of what the essence of entrepreneurship is. Aitken (1963) said that those who have been personally involved will not soon forget the endless arguments over definitions, arguments which are really about what kind of work researchers of entrepreneurship ought to be doing. The discussion in this chapter shows that some of the research issues (definition) that were unanswered in 1946 (Cole, 1946) remain unanswered questions today. The literature acknowledges the need for research outputs towards addressing some of the knowledge gaps in defining the subject of study and the Shane and Venkataram (2000) captures the essence of entrepreneurship as discussed earlier (p.49). This study uses the BLSS context to define nascent entrepreneur (highlighted in Section 3.5).

As a restatement, flimsy and nebulous definitions in entrepreneurship have been blamed for the limited research progress. Amit et al (1993), noted that there is clearly a need for a working definition of both entrepreneur and entrepreneurship to allow for measurement and comparison of research results. There is limited recognition of the need for a concise and satisfactory analytical definition of pure entrepreneurial activity. On the other hand, Carland et al (1988) argue that the definitional issue is simply an intermediary step in researching entrepreneurship and understanding what makes entrepreneurs different. As noted earlier the definitions presented in literature define some component of entrepreneurship such as the person (entrepreneur's characteristics and personality traits) and / or the business (firm age, performance & size). Entrepreneurship research is therefore fragmented and has brought partial truths about aspects of this phenomenon. Gartner (2001) compares entrepreneurship research to a giant being palpated from all angles and no-one really knows what the total animal is. Lundström calls it 'Heffalump' from AA Milnes Winnie the Pooh.

Entrepreneurship research in the UK shows no distinction between the study of the entrepreneurial research and small business studies (Smallborne and Blackburn, 2000). This embedded nature of the field of study (entrepreneur, process and new venture) has also been cited as a reason for limited progress in entrepreneurial research. The major difficulty in the study of research in entrepreneurship is this lack of distinction (embedded nature) of an entrepreneur or enterprise as separate entities. Gartner (1989) quotes Yeates (1956) statement 'how can we know the dancer from the dance' to argue that an enterprise, entrepreneurship and the entrepreneur are inseparable. The vague or unclear definitions create enormous problems when conducting research and make comparability of research studies harder. VanderWerf and Brush, (1989) note that: 'while empirical studies of entrepreneurship proliferate, inconsistencies with research methods have hindered the development of general principles'. The definition challenge and methodological variations are discussed in Chapter 5.

It is clear from the discussions above, entrepreneurship remains a fragmented and largely undefined field as alluded to earlier. A review of the literature suggests that entrepreneurship is an elusive concept that resists precise definition (Hébert and Link 1988, Bird and Mitsuhashi 2003). Entrepreneurship has suffered from the limited scope of studies that have restricted their definition of the field or too broad studies that have made entrepreneurship an 'anything goes' concept. Studies have profiled the individual who starts a new venture or, developed a typology of the newly founded business and/or the contextual aspects of entrepreneurship. All these aspects are relevant determinants of entrepreneurship which

need to be integrated and studied as a whole. Despite the lack of definition, entrepreneurship research has addressed the individual, the environment, the firm and the new venture creation process. This presents an opportunity for this study focussing on individuals in the entrepreneurial process as a process of many outcomes. The population of this study are individuals that have accessed start-up support between 2007 and 2010. Sections 3.4 to 3.9 discuss these various perspectives of entrepreneurship (entrepreneurship as the entrepreneur, as what the entrepreneurs does, as opportunity identification, as new venture creation, as newly founded firm, and as a nascent entrepreneur).

### **3.4. Entrepreneurship as the Entrepreneur**

This section discusses the history and developments of the entrepreneur research focussing on the entrepreneur. Explaining why the study of the individual has occupied a central role in the study of entrepreneurship, Littunen (2000, p.295) states that 'starting up a new firm is very much an individual decision'. Shane et al. (2003) supports the notion highlighting that entrepreneurs are important because they are the individuals who decide to take action to create new business. In an attempt to understand why some people start their own business and others do not, entrepreneurship research has dwelled in the psychology and sociology of entrepreneurship domain for a long time. Much research has been done to address the question 'why do certain individuals start firms when others, under similar conditions do not?' (Gartner, 1989a p.47). Entrepreneurship theorists concur that the entrepreneur is the key unit of analysis (Shane, 2000; Davidsson and Wiklund, 2001). Research around the entrepreneur has attempted to answer: who they are, what they do, and how they do it, among other key questions. The entrepreneur, business creator or founder is a critical aspect in entrepreneurship and has been a subject of study as far back as the 17th century as shown in the definitions table (Table 3-1). McClelland (1961) proposed a theory that people who start their own businesses have got a high need for achievement, strive to solve problems, set targets and strive to achieve these targets. Rotter's (1966) locus of control theory states that entrepreneurs have a higher internal control expectation. These early propositions (McClelland 1961, Rotter 1966) have been subject to further research scrutiny and extended lists of characteristics and traits have been developed.

The two main approaches that have dominated the study of the entrepreneur are the trait, and the behavioural approach. Gartner (1989b) states that in the trait approach the entrepreneur is assumed to be a 'particular personality type, a fixed state of existence, a describable species' and much research effort has been put to outline a set of characteristics that describes an entrepreneur. Brockhaus (1980) carried out a study on the risk propensity of entrepreneurs and concluded that entrepreneurs are individuals with a higher propensity to

risk. According to Gartner (2001), an entrepreneur has been defined as a captain of industry, hard headed risk bearer (Mill, 1848), risk taker (Palmer, 1971) rapacious risk avoider (Danhoff, 1949), high achiever (McClelland, 1962), innovator, displaced person (Shapiro, 1975) juvenile delinquent (Gould 1969, Lille 1974), a man apart (Lille, 1974), and clear headed (Schrage, 1965). The "successful entrepreneur" was defined as a man or woman who started a business where there was none before who had at least eight (8) employees and been established for at least five years (Hornaday and Bunker, 1970).

Aldrich and Wiedenmayer (1993) state that between 1961 and 1990 entrepreneurship researchers found only weak relationship between personality traits and new venture creation and /or growth. Baum et al. (2001a) note that the weak causal relationship between personality traits and new venture creation or growth is because personality traits and characteristics have an indirect influence on venture growth mediated by motivation and organisational features. From a psychological perspective, McClelland (1962) concluded that entrepreneurs are individuals with a high need for achievement and are more likely to start a successful business venture. Follow up empirical studies by Hornaday and Bunker (1970,) and Brockhaus (1980) developed an extended list of traits and characteristics (including risk taking propensity, intelligence, creativity, leadership and self reliance among others) and this has not helped in the protracted search to establish who (what) an entrepreneur is. Van de Ven (1980) noted that a researcher in entrepreneurship should learn from the history of research in leadership which began by investigating traits and personality characteristics of a leader. There has been limited progress in coming up with a conclusive list of traits and characteristics that differentiate successful entrepreneurs from unsuccessful entrepreneurs.

Similar efforts have been made to develop a typology of the new business founder in terms of character, personality, traits, attitude, and psychological profile. The study of personal characteristics of individuals involved in entrepreneurship has dominated the field since McClelland (1962). The results of the personality and trait studies have been criticised for their failure to develop theory. Traits and psychological profile variables have been shown not to be directly related to the probability of becoming an entrepreneur. Typology studies of the entrepreneurs have also failed to come up with conclusive theories and have been criticised for selection bias (only including entrepreneurs that have successfully setup a business) and hindsight errors (as entrepreneurs try to recall past activities in venture creation process). Aldrich and Martinez (2001) in analysing the personalities, social origins, and education variables, of particular entrepreneurs argue that these efforts are relevant only to the extent that they throw light on the behaviour of associations (firms) to which they

belong. Studies on the role of personality traits (risk taking propensity, tolerance for ambiguity, locus of control, need for achievement, need for autonomy, energy level, and creativity etc) have been inconclusive. The theoretical and empirical research on personality traits and characteristics continues, but the lists and descriptions are non-exhaustive and sometimes contradictory. The limitations of these studies are worsened by sampling constraints. The sampling populations in entrepreneurship do not allow people to be randomly exposed to experiment, and control groups in order to see which group becomes more entrepreneurial (Neergaard and Uihøi, 2007). Vesper (1988) notes that the limited scope of research in entrepreneurship means that the business environment, and not the academic world, will remain the leader that makes thousands of experiments which business start-ups represent. This confirms progress in academic research on entrepreneurship has been relatively slow vis-à-vis the answers being sought by governments and entrepreneurship promoters.

However, historical research on the impact of background factors (such as gender, education, previous employment, family support, ethnic minority, immigrant, religion etc) on starting new ventures has dominated the research literature and produced more concrete results. In a study of the demographic profiles of entrepreneurs, Collins and Moore (1970) included variables such as parent's occupation, education, previous job satisfaction, and social attitudes and concluded that individuals whose parents are self employed and have higher educational attainment are more likely to succeed in business venture while the other variables showed weak or no correlation. Cooper and Dunkelberg (1981) carried out a study to describe an entrepreneur using additional variables such as age, immigrant status, number of previous jobs in addition to parent's occupation and education. They concluded that immigrants were more likely to start a business, possibly explained by their difficulty in finding formal employment. Despite the closeness to the variables in the listed studies, it is essential to note that the samples used in these studies varied in terms of sample size (ranging from 31 to 1805) and stage of entrepreneurial development (start-up, established business owner managers) limiting the possibility of meta analysis and research development. The cited studies did not have control groups since they only included successful business owner / managers (selection bias).

Davids (1963) carried out a study on 521 founders of new business to test whether level of education, number of children, religious belief, and sports and club affiliations would help to define an entrepreneur. Davids' results suggested that education was the strongest discriminator (more educated individuals were more successful in business). DeCarlo and

Lyons (1979) studied 122 female entrepreneurs and used age, marital status, education, previous entrepreneurial effort, means of starting, need for achievement, autonomy, aggression, independence, leadership, support and conformity as defining variables. The results were inconclusive. A study by Delmar and Davidsson (2000) confirmed previous research finding that employment status, age, gender, education and experience are important factors in one becoming an entrepreneur. This shows that the lists were being varied and extended in an attempt to describe entrepreneur. Recent studies around human capital are discussed in later sections.

New calls are being made, e.g. Hisrich et al. (2007), to psychologists to develop theory and undertake empirical research focusing on five key topic areas that are pertinent to psychology: the personality characteristics of entrepreneurs, the psychopathology of entrepreneurs, entrepreneurial cognition, entrepreneurship education, and international entrepreneurship. To identify who is likely to succeed and thus target support Baum and Locke (2004) note that the increased involvement of psychologists in the research in entrepreneurship has brought progress in the study of behaviours as predictors of success by moving away from traits to competencies, motivation, cognition and behaviour. Research on entrepreneurial motivation has recorded some progress as researchers attempt to understand the reason why people start new businesses, separating between 'push' and 'pull' factors (Vesper, 1988, Dahlqvist et al, 2000). Research on push factors (e.g. job insecurity, unemployment) and pull factors (e.g. opportunities arising) returned contradicting results and limited theory development.

Recent studies (Littunen, 2000 ; Aldrich and Martinez, 2001) acknowledge that entrepreneurship is an evolutionary process and the critical success characteristics of the entrepreneur are expected to change as they progress through the new venture creation process. This moves away from the study of the entrepreneur as a 'fixed state of existence' (Gartner 1989a). Though not all efforts of this generation of research could be described as futile, this research phase could be easily branded as the 'stereotyping' phase that created myths about what an entrepreneur is. Entrepreneurial awareness programmes being promoted across the world are meant to 'clear' the stereotyping of entrepreneurs and to allow a diverse range of people who may not fit the 'entrepreneur description' to aspire to be entrepreneurs. Research in personality traits and characteristics has been inconclusive and non-exhaustive. Samples of entrepreneurs are expected to be very diverse, just as the population from which they emerge. Van de Ven (1980) argues that a researcher in entrepreneurship should learn from the history of research in leadership which also began by

investigating traits and personality characteristics of leader. However, there has been limited success in coming up with a conclusive list of traits and characteristics that differentiate successful entrepreneurs from unsuccessful entrepreneurs.

The lack of conclusive theories about what entrepreneurs are and what differentiates them from non-entrepreneurs / business managers led to a shift of research efforts to what an entrepreneur does to create a new venture. The studies carried out by Carland et al. (1984), Collins and Moore (1970) DeCarlo and Lyons (1979) McClelland (1965) and Hornaday and Bunker (1970) were an effort to differentiate entrepreneurs from non-entrepreneurs but they did not close the discussion. Gartner (2001) explores the uniqueness of each entrepreneur and new venture pointing out that the distance between entrepreneurs can be much bigger than that between an entrepreneur and non-entrepreneur. Diochon et al. (2008) notes that the limited predictive ability of studies on who is an entrepreneur pushed scholars to focus on what an entrepreneur does (Davidsson, 2006b) and the organisation of newly founded businesses. The behavioural approach is intended to address the question what do entrepreneurs do?

### **3.5. Entrepreneurship as What the Entrepreneur Does**

The behavioural approach views new venture creation as a complex contextual event which is an outcome of many influences and activities to which the entrepreneur is subject. This study uses the population of entrepreneurs (nascent entrepreneur) as individuals that have accessed the BLSS. In line with the PSED framework individuals seeking start-up support are nascent entrepreneurs as they are considering self employment and this is discussed in detail in later sections, Section 3.9. The next section discusses entrepreneurial behavioural studies. Baron (2007) stated that entrepreneurs, unlike people in other managers in professional roles, do not have clearly defined job descriptions with a set of duties, activities and responsibilities. Behavioural studies have recorded recognisable progress, compared with the personality and traits research, in that it has emerged with three essential behaviours that entrepreneurs have to fulfil, these being; the generation of a new product idea, recognition of a business opportunity, and obtaining resources to launch a new venture (Ardichvili et al, 2003). This behavioural approach is the cornerstone of entrepreneurial training and skills development support in that it identifies the skills and abilities entrepreneurs require to create new ventures. The study of entrepreneurship as activities / organising has its history in organisation ecology and management sciences. As discussed earlier, entrepreneurship is multidisciplinary and many different perspectives for observing, studying, and understanding have been applied in previous research.



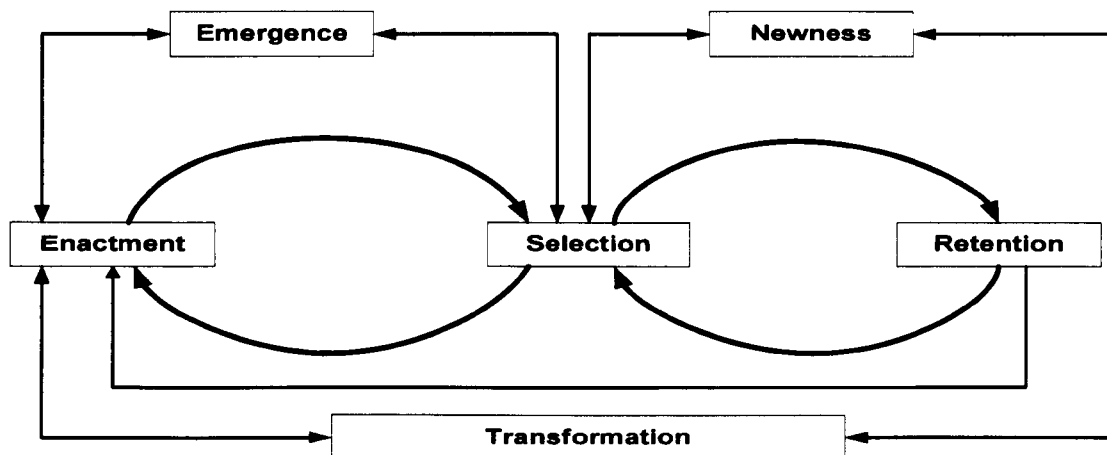
Collins and Moore (1970) take the Schumpeterian view and state a person is an entrepreneur only when he carries out new combinations and loses that title as soon as the company is established (for definitions refer to table 3-1). The behavioural 'school' seeks to understand how entrepreneurs create economic activities by studying their actions and the activities they carry out in the new venture creation process. Reynolds and Miller (1992) developed a list of organising behaviours that includes personal commitment, financial support, hiring and, and a record of a sale transaction as evidence of start-up. Gatewood et al, (1995) further refined the list by splitting these key organising activities into smaller more specific actions that include saving money to invest, asking for funding, and establishing credit with suppliers and taking classes / workshops on starting a business and recruitment of staff. These activities will be looked at in detail in later in this section and they form the basis of evaluating entrepreneurial progress in this study.

Carter et al. (1996) applies a similar framework with more specific action under personal commitment (devoted 35+ hours per week to the start-up), preparation of a business plan, and indicators of start-up to include filing federal taxes, positive cash flow etc. Carter et al (1996), Gatewood et al (1995) and Delmar and Davidsson (2000) concluded that nascent entrepreneurs who engaged in more activities earlier in the start-up process were more likely to succeed in setting a business. As stated earlier entrepreneurship or new venture creation is an intense process compressed over a short space of time. The importance of completing specific activities has been subject to debate. Honig and Karlsson (2004) and Honig (2004) tested the importance of written business plans and concluded that writing a business plan is not related to start-up or subsequent success. However this is not a conclusion about planning in general and whether it helps nascent entrepreneurs to survive the gestation process. Contrary to Honig (2004), Timmons et al (1985) states that careful preparation of a business plan provides an entrepreneur with an opportunity to pull together all aspects the new business and examine the consequences of strategies and the human and financial needs of the new business. The argument that these activities e.g. business planning are not important to business start-up and success can not be taken in abstraction as businesses require a viable business idea and legal compliance to attract formal finance.

Organising, as defined by Gartner and Brush (1999), entails the planning and coordination of resources, people, ideas, market mechanisms as well as the establishment of routines, structures and systems. Organising is a continuous feed forward and feedback process characterised by specific activities that define each organising cycle or stage. Gartner and Brush (1999) state that entrepreneurship is evident in cycles between the activities of

enactment, selection and retention which are emergence, newness and transformation, as shown in Figure 3-3.

**Figure 3-3 Organisation Process**



*Gartner and Brush (1999. p2)*

In the study of what entrepreneurs do, Carter et al. (1996) reported that both individuals who started their business as well as individuals who gave up the start-up effort undertook more activities than the third group which was still trying. The advice to entrepreneurs who want to start a business is to pursue opportunities aggressively in the start period, in order not to find themselves perennially still trying. The authors concluded that those who managed to start a new business completed more start-up activities than those who were still trying. The Carter et al study shows that those that found facilities and equipment, sought and got financial support, formed a legal entity, organised a team, bought facilities and equipment, and devoted themselves full-time to the business were more likely to start and succeed. This is supported by Delmar and Davidsson (2000) who stated that those who completed these activities earlier in the process are more likely to start. Carter et al (1996) list fourteen activities as key activities conducted by nascent entrepreneurs in order to start a new business. These are listed below:

- i). Organise team,
- ii). Prepare a plan,
- iii). Look for facilities,
- iv). Buy facilities / equipment,
- v). Rent facilities / equipment,
- vi). Invest own money,
- vii). Ask for funding,
- viii). Get financial support,
- ix). Develop models, samples or catalogues,

- x). Devote fulltime,
- xi). Apply for license / patent,
- xii). Form legal entity,
- xiii). Hire employees, and
- xiv). Save money to invest.

It is critical to state that the activities listed above relate mainly to conventional business (manufacturing, retailing) and not very much to knowledge and lifestyle businesses (detailed in Chapter 5 and 6). Lifestyle businesses are often run by their founders to maintain income and nothing more therefore recruitment and selection, hiring of employees, organising a team would fall away. The quantitative phase of this study employs thirteen activities (merged iv and v) instead of 14 to minimise repetition) to assess entrepreneur progress before and after accessing support.

Entrepreneurs have frequently been compared with non-entrepreneurs (Baron and Brockhaus, 1980) but not often compared with persons who wanted to start a business but did not succeed in doing so. The quest of individual studies in entrepreneurship is to answer the question - why does one person succeed starting up the business, while the second gives up and the third perennially tries to setup and fails (Aldrich and Martinez, 2001). Research in entrepreneurship is beginning to focus on what aspiring entrepreneurs do before the organisation exists. Emergence can also be described as pre-organisation, prelaunch, gestation, inception or prestart and occurs before the organisation is founded. The creation of a new business venture is one of the possible outcomes of the start-up process. Markman et al (2005) state that all organisations established ones and newly founded ones face competitive pressures. Several internal and external factors such as viability of business idea, operating environment and competitive advantage, are acknowledged in business literature as essential. The others can be failed attempts to create an organisation or an ongoing attempt to create a new venture. Pre-start exits and failures are not captured in this maze and these failed venture attempts are critical aspects in the development of entrepreneurial support. This means that new businesses created are not equal to the attempts to start up (Gartner and Brush, 1999). There is a high rate of failure in the early stages of the organising (enactment and emergence).

According to Aldrich and Martinez (2001) 'many are called' into entrepreneurship, but a 'few are chosen' which is a Biblical reference to the parable of the wedding feast (Matthew 22:16). The study of entrepreneurship at the stage of emergence addresses the selection bias typical of studies carried out only with successful entrepreneurship and hindsight errors when

data is collected post organisational launch. Most would-be entrepreneurs are unsuccessful, but limited effort has been made to understand these individuals and their activities. Most research has been conducted with surviving ventures or successful ventures. Studies in organisations explored the role of various factors such as the entrepreneurs social capital (Markman et al 2005), and financial endowments (Davidsson and Honig, 2003) as variables in new venture success and concluded that there is a positive relationship between some entrepreneurial human capital factors resources, and financial endowment and subsequent new venture growth.

Gartner and Brush (1999) proposed that the study of newly founded businesses (SMEs) entails exploring and explaining the factors that affect new ventures. At this stage new organisations are likely to have lower financial capital, reputation capital, technological resources, organisational resources, social and human capital compared to large established organisation. A new business in the process of negotiating and setting up new supplier and customer contracts faces diseconomies of scale and the setup costs can be heavy on a limited cash flow generating business. In Porter's (1980) industry analysis framework new ventures face challenges with the bargaining power of suppliers and of customers, and competition. Intense competition unfavourable supplier and customer terms can result in the failure of start-up ventures. For new businesses, selection is brutal, and it is survival of the fittest. Studies on the role of financial wealth, (Blanchflower and Oswald, 1998) educational background (Shane 2000, Delmar and Davidsson 2000) among other factors and the nature of their relationship with venture survival and growth conclude that high capital start-ups created by the highly educated individuals were most likely to grow.

Blanchflower and Oswald (1998) concluded that individuals with inherited wealth were more likely to setup business but did not investigate the likelihood of survival. In these cited researches, it is critical to note that selection bias has inhibited theory creation on factors influencing venture survival and growth. Studies focussing on the environment have addressed availability of venture capital, the role of supportive social capital (van Praag, 2002; Bosma et al, 2003), the existence of entrepreneurial expertise and support services, and research universities as growth engines. Bruderl et al (1992) state that there are three groups of factors that affect the survival chances of new businesses which are: (i) the individual founder characteristics, (ii) attributes, structural characteristics and strategies of the new business (iii) conditions characterising the environment of the new firm. Everett and Watson (1998) suggest that economic factors appear to be associated with between 30% and 50% of small business failures, depending on the definition of failure used. However,

there is therefore limited knowledge about individuals and their failed venture and this has been justified on challenges in identifying the population and reaching (emotions of failure) failed would-be new business owners (Bruno et al 1986). In the 1980s Bannock and Doran (1980, p.123) noted that "... the most important gap in British Statistics, and indeed in virtually all other countries, is in statistics on new enterprise formation (births) and failures (deaths)". Access to information has improved but there is still a challenge with reaching failed entrepreneurs as there is lack of incentive to report failures in government sponsored programmes. The failed and 'still trying' individuals are captured in this study and the research also seeks to capture their additional support needs and their plans to start a new business.

When entrepreneurship is studied as organising, it becomes easier to categorise entrepreneurship research across disciplinary perspectives and units of analysis as it defines what aspects are studied at each stage of organising entails. Research of established small businesses and new venture is interlinked as the object of research in entrepreneurship is defined along size (turnover, number of employees) and age of business and these variations in definition make cross study or country comparisons difficult. This study adopts the behavioural or organising approach in order to evaluate the impact of BLSS on enabling individuals to start and complete the 'essential 14' activities of new venture creation (Carter et al 1996). The list by Carter et al (1996) is not exhaustive but captures the key business formation activities such a strategy and vision (Porter 1980, Vesper 1990), establishment of business boundaries (Katz and Gartner 1988), resources identification and mobilisation (Aldrich and Zimmer 1986). The Gartner and Brush (1999) model is a 'processual' model that will allow for the study of a diversity of individuals and their new venture attempts. The PSED, Reynolds (ed. 2000), utilises the activities / behavioural model under the key aspects of organising which are organising child care, opening bank account, setting a business phone line and telephone directory listing.

As stated earlier the study of entrepreneurial behaviours has recorded progressive development in producing lists of activities of organising compared to the personality traits and characteristics research. The behavioural study of entrepreneurship clarifies what the entrepreneur is expected to do in order to set up a new venture. The behavioural view feeds closely into the study of entrepreneurship as opportunity recognition and development. The study of entrepreneurship as organising therefore plays a linking role between the entrepreneur, entrepreneurial behaviours and the newly founded venture. It is critical to note that while this thesis is not longitudinal as in time 1 and time 1<sup>+</sup>, it does capture the stage of

development at the point of initial contact with BLSS and the at the point of evaluation stage of which both states are self reported and verified by checks on RBSIS. A representative sample of start-ups, those who are still trying and some who have abandoned starting-up are part of the sample. Additional contact or intervention information was traced through individual client files. Research in entrepreneurship has rarely looked at 'what happens before the organisation' (Learned, 1992) and the organising framework addresses the gap on the activities towards new venture creation. However, the role of external support and / or inhibiting factors is not outlined by Learned (1992). Central to this study is to address the gap of how the BLSS support aided individuals to complete new venture creation activities. The study goes further to analyse whether there is a relationship between the activities and the outcome of creating and new venture. Section 3.4 discusses the role of human capital in opportunity identification and development towards new venture creation.

### **3.6. Entrepreneurship as Opportunity Identification and Development**

Human capital is an essential part of this study in that BLSS services are structured to increase self efficacy, knowledge, management skills thus reducing the barriers of New Venture Creation (NVC). This study, as will be discussed later on, used human capital factors for demographic profiling and to explore the link with NVC. As stated earlier, entrepreneurship is defined as the 'scholarly examination of how, by whom and with what effects opportunities to create future goods and services are discovered' (Shane and Venkataraman, 2000, p218). The study of entrepreneurship entails building an understanding of opportunity identification and recognition to address how opportunities are discovered and exploited by some individuals and not others or everyone. According to Stevenson et al (1985) the identification and selecting of opportunities are among the most important abilities of a successful entrepreneur. The understanding of the factors that enable one entrepreneur to discover and exploit opportunity while the other entrepreneur fails to discover and exploit the same opportunity is important to entrepreneurship research. Venkataraman (1997) asserts that explaining the discovery and development of opportunities is a key part of entrepreneurship research. Social capital and human capital theory has made advances to explain individual differences between those who manage to create new ventures and those who do not.

The human capital aspects include training and education, work experience, skills, family background, and household wealth among other variables. Research exploring the role of human capital, (education, training, experience, networks, managerial capabilities, entrepreneurial capabilities, technical capabilities, business ownership experience) in entrepreneur success has returned consistent results and theory. Recent studies in human

capital theory states that individuals with a higher level (or better quality) of human capital are more likely to start a business compared to those with a lower level of human capital (Ucbasaran et al 2008, Davidsson and Honig 2003). In theories of entrepreneurship, the opportunity identification framework brought human capital to the fore especially on the role of education and work experience.

Human capital theory, as alluded to earlier, is the main justification for entrepreneurial training and mentoring programmes. The entrepreneurial process is a non-institutional activity that requires human capital and is characterised by trial and error cycles which require quick learning and improvisation (Aldrich and Martinez, 2001). Human capital is applicable to many forms of economic activity and has traditionally been measured in terms of an individual's age, parental background, gender, and education (Becker, 1975; Cooper et al., 1994). While the first three of these human capital elements are acquired by birth and cannot be invested in or improved: education (work experience, capabilities, networks) is an exception.

Similar to the human capital concept, Vesper (1997) noted that the three most common sources of social capital are work experience, education and training, and advice. The social capital concept is used to describe the key role of social relationships in the construction of new organisations (Aldrich and Martinez, 2001). In view of the resources needs and constraints nascent entrepreneurs face there is need for them to improvise and capitalise on opportunities in the new venture creation process and some of the ideas and resources exist within networks. Moorman and Miner, (1997) note that as founders move deeper into the founding process, they must occasionally recall, develop and apply knowledge under extreme pressures. Aldrich and Martinez (2001, p.45) state that in '...the time frame between conceptualisation and execution during founding compresses many activities that would otherwise have stretched out over long periods in an established organisation'. Networks, role models and mentors have been used extensively in entrepreneurship promotion and support programmes as social capital which helps to shorten the learning curve in new venture creation.

Prior Knowledge - according to Austrian economics and market theory no two actors share the same knowledge or information about a particular scarcity, a new producer or a new method of production (Hayek 1945, Venkataraman 1997). Hence, different people will discover different opportunities because they possess different prior knowledge. Fama's efficient market hypothesis (Fama, 1970) assumes that all investors have the same amount

of information and therefore cannot outperform the market. This theory was generally accepted until the 1990s when researchers in behavioural finance made new assertions about information asymmetry and emotional exuberance in the operation of capital markets. The ability of individuals to spot opportunities to 'beat the market' explains why some entrepreneurs spot and exploit opportunities while some do not. Chini et al (2000) emphasise the importance of information use and availability for entrepreneurial success. They found that individuals who quit their start-up initiative frequently cited unavailability of information as a constraint and there is need for business support agencies to make information and guidance available.

The role of prior knowledge, acquired through work experience, education, social interaction etc, has been investigated and Shane (2000) concludes that prior knowledge is critical for opportunity discovery and exploitation. Bosma et al (2002) state that investment in industry-specific and entrepreneurship specific human and social capital contributes significantly to the explanation of differences on the performance of start-ups. In a study conducted by (Delmar and Davidsson, 2000) it was concluded that gender and age were significant discriminators in defining entrepreneurs. Entrepreneurship literature identifies entrepreneur's prior knowledge (education, work experience) as a factor influencing entrepreneurial opportunities identification and this hypothesis is based on the importance given to information. Indeed, the Austrian school proponents give it a great importance. Hayek (1945), for example, believes that entrepreneurship exists because of the amount and nature of information held by an individual. In other words, the asymmetry of information between individuals is the source of market imbalances and, therefore, the existence of entrepreneurial opportunities (Kirzner, 1997). Von Hippel (1994) also argues that individuals tend to locate the information that is related to what they already know. For example, if an individual has knowledge about a particular technical field, they are, according to Von Hippel (1994), more sensitive to information concerning this and will not pay attention to information that relates to other areas they do not know. According to Shane (2000) individuals who setup new ventures in the sector they have worked in are more likely to start-up and grow.

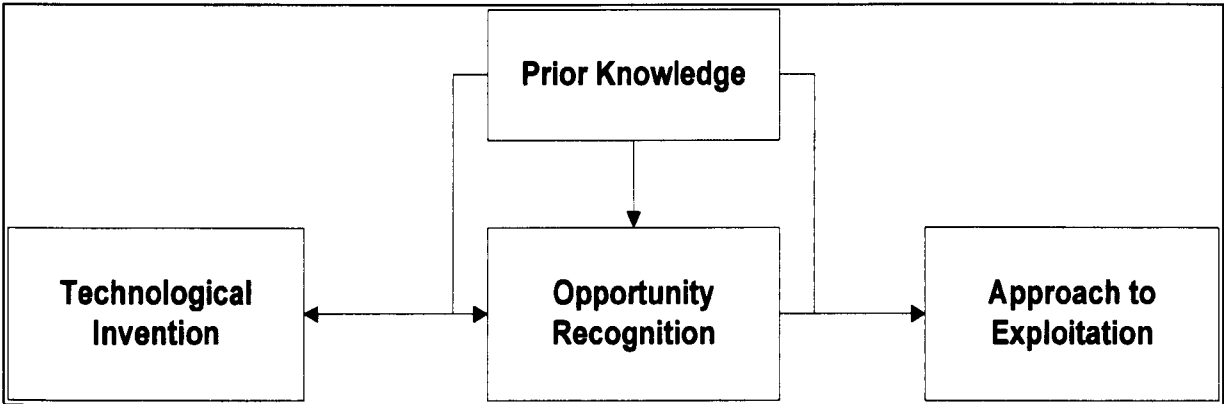
The entrepreneur's prior knowledge further influences the relative success of the entrepreneurial outcome. Recent contributions in the literature argue that survival and performance of new firms are fundamentally shaped by prior experience gathered through previous occupational episodes (Carroll et al. 1996, Klepper & Sleeper 2005, Helfat & Lieberman 2002). The technological expertise the entrepreneur brings to the new firm may in addition determine the new firm's innovative success. Markman and Baron (2002) state that



knowledge and intellectual property are becoming more important than physical capital. This is supported by Gilbert et al (2004). In the same vein, and based on the Austrian economics, Shane (2000, p.448) states that ‘entrepreneurs discover opportunities related to information they already possess..., it means they discover opportunities related to their prior knowledge’. Indeed, according to Shane (2000), having a prior knowledge triggers the identification of the value of new information. He distinguished three major dimensions of prior knowledge that are important for entrepreneurial opportunities identification: knowledge about the market, the knowledge about how to serve markets and people’s prior knowledge of customer problems. Shane’s qualitative study of eight different companies that were established on the basis of different opportunities from a single technological innovation (Massachusetts Institute of Technology, MIT), Shane (2000) tested and confirmed two assumptions which may be summarized as follows:

- All individuals are not equally likely to recognize a given opportunity: the reasoning is based on the idea that all individuals do not have the same information at the same time, as stated by Kirzner (1997);
- Each person’s idiosyncratic prior knowledge creates a "knowledge corridor" that allows him/her to recognize certain opportunities, but not others (Hayek, 1945; Ronstadt, 1988; Venkataraman, 1997). Figure 3-4 summarises opportunity recognition and exploitation.

**Figure 3-4 Prior Knowledge and Opportunity recognition**



*Shane (2000. p453)*

As stated earlier, Shane (2000) focused on the role of prior knowledge in opportunity recognition and concluded that prior knowledge is a key predictor on starting a new venture and subsequent success. The proposed theory on prior knowledge was a key addition to knowledge in that Shane (2000) notes that technological innovation does create opportunities , but the opportunities are not obvious to everyone.

"Prior information, whether developed from work experience, education, or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking that prior information cannot replicate". (Shane 2003, p.452).

The advantage of discovering and exploiting opportunities lies with those with prior knowledge. This can be linked with economic and stock market theories on information asymmetry and the imperfections (opportunities) it creates for arbitrage. Shane (2000) and Delmar and Davidsson (2000) concluded that individuals who had a higher educational attainment and previous work experience in the industry were more likely to establish successful ventures. Prior knowledge according to Shane, (2000) and Stevenson et al (1985) is a key discriminator between individuals that succeed in starting and the survive and those that fail before and after starting. Prior to the study by Davidsson and Honig (2003), Cooper et al (1994) confirmed that education and work experience are positively related with signals of high growth. Bates (1990) concluded that individuals who are more educated and employing a large financial capital are more likely to create viable and lasting entities compared to poorly educated cohorts with less financial capital.

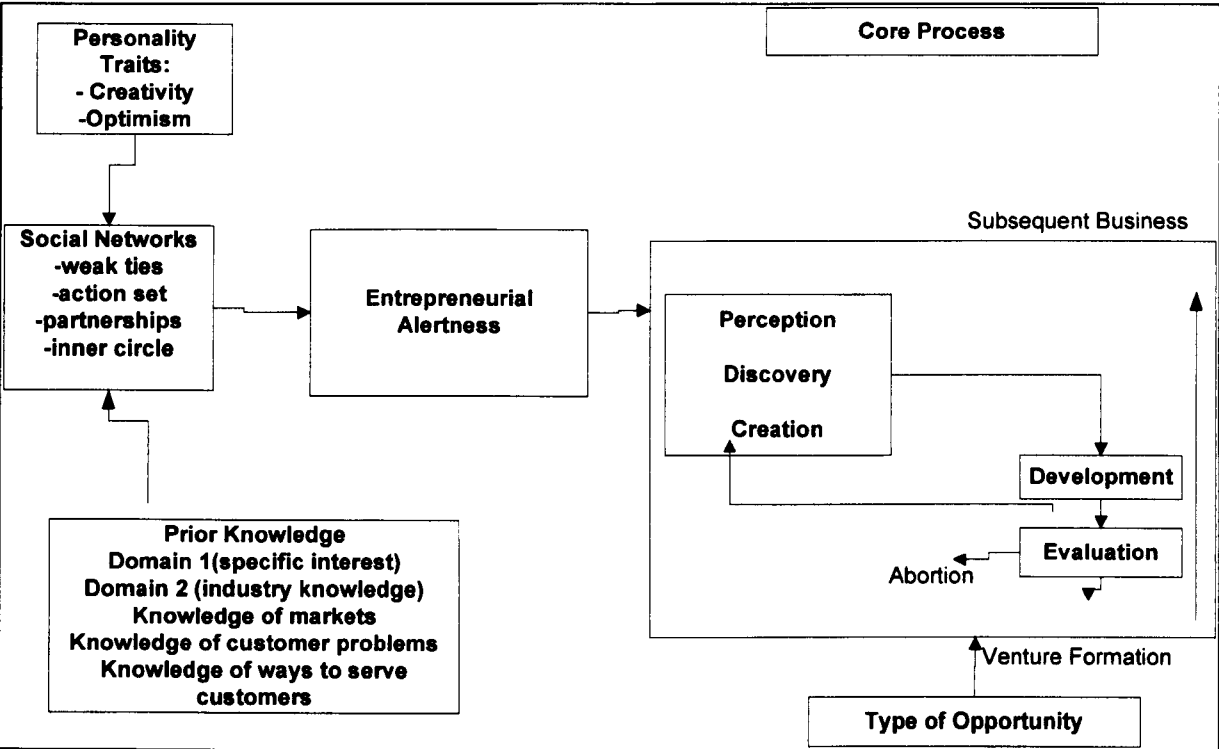
Cohen & Levinthal (1990) argue that there is a knowledge-based barrier to entering new markets where a certain level of knowledge is a prerequisite for being able to recognize and interpret new external information. This is particularly true for technologically dynamic industries and emerging markets. Accordingly, new business formation - and the setting up of a new, innovative firm in particular - is not a widespread and ubiquitous phenomenon, but of rather rare occurrence. New Venture Creation (NVC) occurs when specific opportunities for entrepreneurial profits such as market inefficiencies or newly discovered scientific insights meet with the prior knowledge of potential entrepreneurs, thus triggering opportunity exploitation. Given that an opportunity for entrepreneurial profits exists, an actor can earn this profit only if he recognizes that the opportunity exists and assess it as having economic value (Shane & Venkataraman 2000). This is the argument for government funded enterprise training, mentoring and coaching; it is a means to bridge the information or prior knowledge gap. According to Bosma et al (2002, p.227):

'this is easy to understand since entrepreneurship is a fundamental characteristic of modern knowledge-based economic activities... because the potential value of new ideas and knowledge is inherently uncertain.'

However, Ardichvili et al. (2003) argues that opportunities are made and not found, thus the emphasis should not be opportunity recognition but opportunity development. Studies in

opportunity recognition have also been criticised for concentrating on only some aspects of the entrepreneurial process such as prior knowledge ignoring other aspects of human and social capital that have an interactive effect on the outcome. Ardichvili et al. (2003) provides a more comprehensive view of opportunity discovery and development by including more aspect (personality traits, social networks and prior knowledge) of social and human capital (not solely prior knowledge). Figure 3-5 shows the opportunity discovery and development model.

**Figure 3-5 Opportunity Discovery and Development Model**



*Ardichvili et al. (2003. p118)*

The model of opportunity recognition and development provides a bridge between entrepreneurship theory and practice by providing a means of identifying and defining possible nascent entrepreneur’s points of strength and weakness in the process on new venture creation. This model acknowledges that new venture formation is one of the outcomes of opportunity exploitation of which the other ones include abortion and subsequent venture creation. Entrepreneurial support can therefore be targeted to boost prior knowledge, social network and entrepreneurial alertness. Entrepreneurs’ social networks help individuals and start-up firms to gain access to information, knowledge, financial capital and other resources that they do not possess.

Entrepreneurial experience is important and more entrepreneurs in subsequent founding attempts, according to Aldrich and Martinez (2001), succeed in creating new ventures.

Shane (2002), Davidsson and Honig (2003), and Delmar and Davidsson (2000) state that human capital plays a key role in opportunity identification and exploitation, new venture start-up and subsequent growth. McGrath and MacMillan (2000) provocatively asserted that repeat entrepreneurs (habitual entrepreneurs) might have an “entrepreneurial mindset” that prompts them to search out opportunities and to pursue only the very best opportunities.

While a number of the studies cited earlier focussed on the importance of prior knowledge in new venture creation and survival, Singh et al (2008) took a different approach and explored the impact of the source of opportunity of drive to setup a new venture. In a study of white and black nascent entrepreneurs, Singh et al. (2008), found that nascent entrepreneurs who pursue internally stimulated opportunities (decision to start precedes market opportunity) were more successful than those who followed externally stimulated opportunities (market opportunities precedes decision to start). Other researchers focussed on job satisfaction (Cooper 1970, Lamont 1972) as push factors for people likely to get into business and concluded that dissatisfied employees are likely to go into self employment however, no assessment was made on whether they are more likely to succeed. Human capital theory simplifies the direct and indirect role that prior knowledge (education and work experience), family background, and other demographics play in the discovery and exploitation of opportunities. Researchers in the field agree that the founder is the key to venture survival or failure (Hatch & Dyer, 2004). Ucbasaran et al (2001) observe that while opportunity recognition and information search are critical first steps in the entrepreneurial process, research in this area has been limited, especially in relation to how entrepreneurs use the acquired knowledge. The next section will discuss the role of financial capital as an aspect of human capital and its role in making or breaking new venture creation initiatives.

**Financial Capital** - another aspect of capital that has received research attention is financial capital. Financial capital, in the form of start-up or working capital, is essential in the acquisition of inputs (labour, raw materials and market information). The emergence of microfinance is out of the realisation of an existing failure in the market and awareness that nascent entrepreneurs and SME's have constrained access finance. Although some economists have argued that lack of funds inhibits people from attempting to start businesses, the issue remains debatable (Henley, 2005). Dunn and Douglas (1996), in a nationally representative longitudinal study in the United States found that the level of personal assets did not predict which respondents would enter self employment. Indeed many entrepreneurs find ways around their lack of funds. Keister and Moller, (2000) contend that both household wealth and household income affect attempts at transitions into

entrepreneurship. However, contrary to Dunn and Douglas, and Keister and Moller, Blanchflower and Oswald (1998) argue that the probability of self employment in the UK depends heavily on whether someone has inherited wealth. Henley (2007) states that there are no significant differences between the housing wealth of people who subsequently transition into self-employment and those individuals who do not. Bates (1990) noted that entrepreneurs employing larger capital are more likely to create viable and lasting enterprises. Anecdotal evidence consistently suggests that potential founders complain frequently about limited availability of capital.

Access to finance, the creation of an enabling operating environment, and provision of training and consultancy services are considered critical aspects of entrepreneurial development and new business creation. The availability or non-availability of funding to pre-start, start-up and small to medium enterprises has raised the debate on microfinance. Craig et al (2008) in their study of the impact of the SBA lending programme concluded that low-income markets are positively impacted by SBA guaranteed lending. New businesses are not only more likely to enter in countries with better access to external finance and better investor protection, they are also more likely to incorporate than to maintain the legal form of proprietorships (Demirguc-Kunt et al., 2006). However, despite the lack of agreement on the importance of prestart finance, micro-lending activities can be traced back to independent initiatives in Latin America and South Asia around the 1970s, and to date microfinance has allowed 65 million poor people around the world to receive micro-credit without collateral, build-up assets, and buy insurance (World Bank, 1988). Microfinance emerged in the 1980s as part of the search for market based solutions after Government and NGOs 'cheap lending' facilities tended to accumulate huge losses overtime (NEF, 2001 – the performance and transformation of soft loan funds in the UK). The World Bank (1998, p1) defines microfinance as 'the provision of financial services to low income clients, including the self-employed'. Broadly micro-financial services entail the provision of the provision of micro-savings, micro-lending and micro-insurance services. The Grameen Bank (Bangladesh) has been a leading example of a market based microfinance bank.

The research of microfinance has been driven from two dimensions, the first being the proponents of financial liberalisation, financial deepening and its impact on economic growth (Stiglitz, 1985). The second being the importance of SME's in economic development (Schumpeter, 1934) and their need to access finance. The efforts to develop the SME sectors are based on the premise that entrepreneurship drives economic growth and that market and institutional failures impede their growth (Beck and Demirguc-Kunt, 2006). The

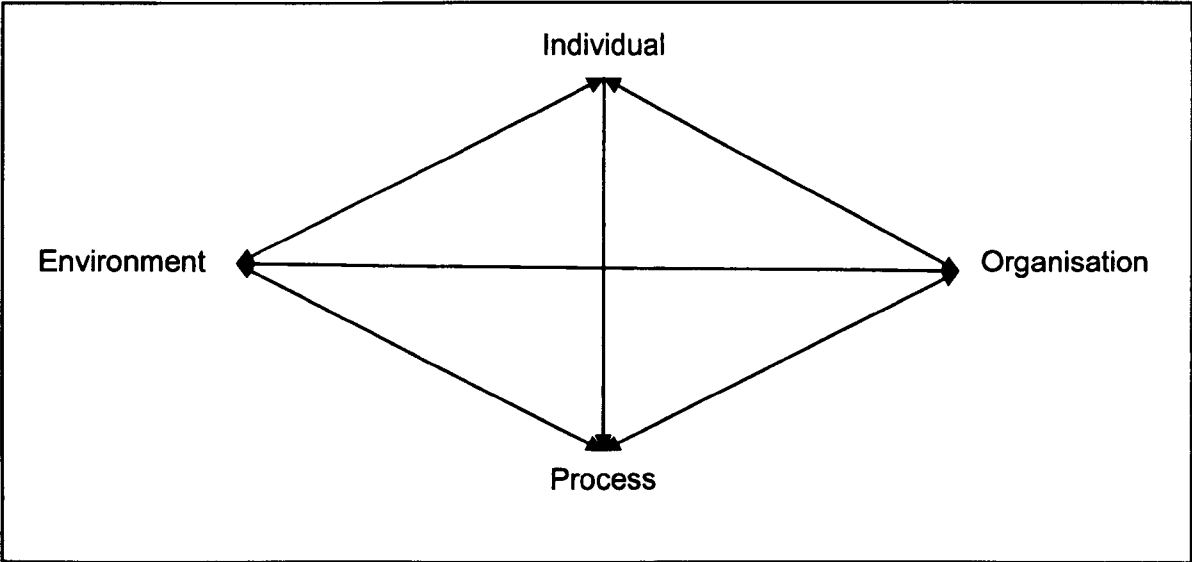
viability of micro-lending has come under increased scrutiny. Bhatt, Painter, and Tang (2002) in a survey found that 30 percent of domestic microfinance programs operating were either no longer in operation or were no longer lending capital two years after they first surveyed.

Developments around human capital research, including financial capital, have been important for governments and agencies that in the development of tools and interventions to promote business start-ups and foster their growth. Several human capital theory studies have been carried out and studies show the link between human capital factors and creating a new venture / subsequent venture success. However, these studies have been carried out independent of nascent entrepreneur support intervention and therefore have not been used as a tool to assess the usefulness of business support programmes. This study incorporates human capital factors in the review of the BLSS programme. The next section looks at entrepreneurship viewed from the perspective of new venture creation.

**3.7. Entrepreneurship as New Venture Creation**

As discussed above, definitions for entrepreneur, enterprise and entrepreneurship have proven to be a challenge in the literature. Gartner (1985) was one of the first to combine the four dimensions (individual, environment, organisation, and process) of new venture creation. The framework for describing new venture creation captures that entrepreneurship is a multi-perspective discipline as shown in Figure 3-6.

**Figure 3-6 A framework for describing new venture creation**

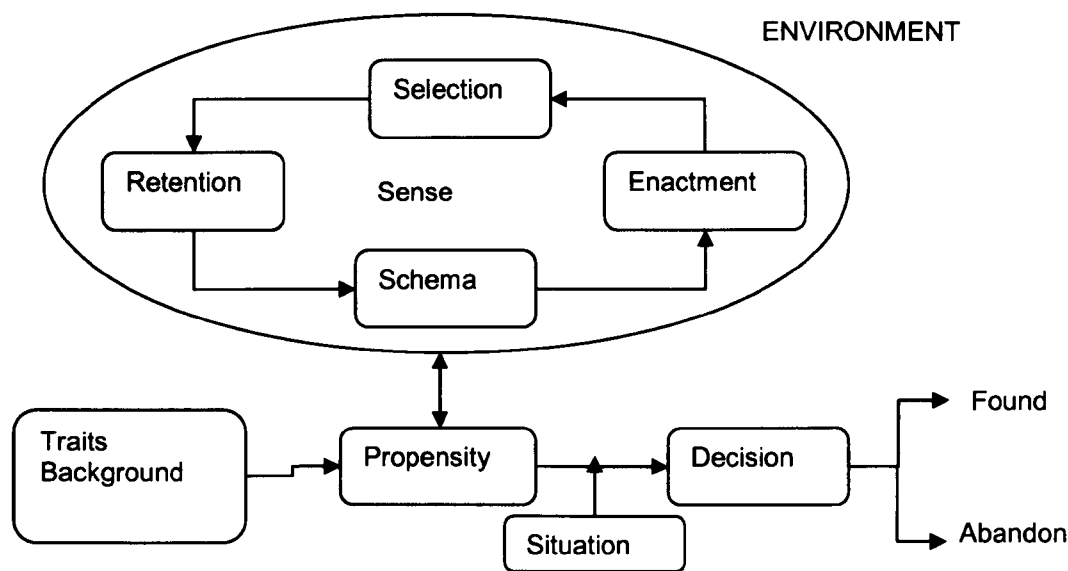


*Gartner (198. p698)*

Brush et al (2003) state that defining entrepreneurship by its focus on the NVC (New Venture Creation) process presents a unifying purpose for research and satisfies the phenomena's multi-dimensional feature. The study of entrepreneurship as the process of new venture creation is a progression towards the inclusion of the many bits that make the field. This view aids in the study of entrepreneurship as a multifaceted phenomena. As noted earlier, research within the field needs to be holistic and explain the interconnections. As has been noted previously, Gartner (2001) stated that entrepreneurship is a jigsaw with lots of pieces missing which need to be found before explaining how they connect. In an effort to build the whole picture, Baum et al (2001) develop a multidimensional model incorporating the individual, the organisation and the environment to explain new venture creation however, it fails to acknowledge the NVC process and its multiple outcomes. The weaknesses of the Gartner model are partially addressed by Bhawe (1994) by highlighting new venture creation as a multi-stage process composed of three stages being; the opportunity stage, technology setup and organisation creation stage, and the exchange stage. These models, however, fail to acknowledge that NVC is a process with different outcomes (setup, fail) that need to be incorporated in entrepreneurship research.

Gartner and Brush (1999) note the earlier models (Gartner 1985 noted above) models create a dichotomous view between the process of starting a business and the existence of new organisations. This weakness is to a greater extent addressed by Learned (1992) in his model for organisational formation which allows to a diverse range of individuals and their new venture creation journey of which some end in failure (see Figure 3-7). While Bhawe's model came in two years later, it did not acknowledge much of work done by Learned to allow a diversity of individuals and multiple outcomes could be taken as evidence of limited follow-up literature and build on. The diversity of individuals entering the model is key as noted by Campbell et al (1970) noted, that playfulness and experimentation are natural human impulses that have extraordinary strength and persistence, enabling people to generate variations of great utility making each new venture a unique creation. While the individual who succeeds in establishing a business is key, the appreciation of the context of society and of the business environment is essential in entrepreneurship research. The context, process and outcomes are captured in Learned model of organisational formation. Figure 3.7 shows the Learned (1992) new venture creation maze.

**Figure 3-7 Model for Organisational Formation**



***Learned (1992. p40)***

Learned (1992) progressed further to link organisational formation (schema, enactment, selection and retention), the individual cognition process (traits and background, propensity and decision) and the environment (situation). Gartner's new venture creation (Garner, 1985), Learned's model for organisational formation (Learned, 1992) and Bhavé's entrepreneurial process models (Bhave, 1993) are recordable as a significant milestones in entrepreneurship research. This assertion is supported by the clustering of research addressing the four aspects of new venture creation as proposed by Gartner (1985) namely the individual (human capital, traits and characteristics), the environment (policy and regulation), process (information) and the newly founded firm (characteristics and subsequent growth). The research was followed on by Aldrich and Martinez (2001) in an evolutionary approach to the study of entrepreneurship in which they acknowledge that the process has feedback and feed forward loops and more than one outcome (started, abandoned and still trying) is possible. The evolutionary approach to entrepreneurship is discussed in detail in later sections on nascent entrepreneurship research.

As noted earlier, the units of analysis in most entrepreneurial studies have been focused on the founding individual or teams, networks of individuals, the new organisation and the environment (Hunt, 1991). Learned describes the new venture creation process as a maze from which the nascent entrepreneur has to make the right choices to exit the maze with a new venture. Each new venture is created from a different (unique) set of combinations in terms of the entrepreneur's background and disposition, situation of intended organisation, resources, time table and the environment. NVC remains an important outcome in



entrepreneurship studies and it is noble that researchers study the newly created ventures. This is important for this study on the basis that NVC is the most important outcome (desirable) of business support and understanding of the activities of formation is critical in the designing of start-up support.

### **3.8. Entrepreneurship as the Newly Founded Firm**

Research in new firms is of economic importance noting that start-ups do contribute to economic growth through employment creation, innovation and competition among other factors. If new business creation is positive for economic growth, this would imply that businesses failures would have a negative effect on economic growth (Grant (1985). Number of start-up firms remain a key target of both entrepreneurial and SME support programmes making them an essential component of this study. New firm birth and survival rates are a critical component of regional and national growth strategies and this has increased research interest for new business survival and growth. However, tied to the big numbers of start-ups is also a large number of business failures – notably a high proportion of businesses fail in their first year. According to Grant (1985) the fate of a nation is closely related to the survival of its business. Several policies are in place in England to encourage individuals to start businesses however, the survival of a new organisation is not without barriers. New firms compete against dominant incumbent firms and have to invest substantial amount of capital on entering an industry. Some start-ups lack the human and financial capital strength to survive in the long run. The failure rate for new businesses seems to be around 70% to 80% in the first year and only about half of those who survive the first year will remain in business the next five years (Holland, 1998).

As discussed earlier, the study of traits, and characteristics and their effect on venture growth has met the same fate as other personality and trait studies in mainstream entrepreneurship research. Boeker and Witbank (2005) argue that a critical factor in the success of a new business is the founding leadership's ability to continue to meet challenges in a changing environment. However, Danhoff (1949) argues that the study of an individual in entrepreneurship is an unrealistic abstraction because new venture creation is a multifaceted phenomenon. Personality studies throughout entrepreneurship have been criticised e.g. by Baum et al (2001), for carrying out isolated studies (personality, organisation, environment) on factors that influence new venture growth. The personality measures are similar to the ones used in the study of the individual entrepreneur (Brockhaus 1970, Begley and Boyd 1987, Aldrich and Wiedenmayer 1993). Other studies show that entrepreneurial firms are different from non-entrepreneurial firms for example Cooper and Dunkelberg (1981) and Smith (1967). Researchers have developed complex models to in an attempt to explain the

role of personal characteristics on new venture success e.g. Baron (1998), Baum et al (2001a), opportunity identification (Shane, 2000) and new venture creation (Gartner, 1985), but as stated earlier the studies have not been conclusive. In addition to the general limitations of personality or trait studies in entrepreneurship, studies in new venture growth have been characterised by selection bias as only surviving new businesses make the sample. However, Bruno et al (1986) note that there are constraints in identifying failed entrepreneurs, accessing their financial data and expecting them to give an account of the business failure.

It is important to study new ventures, as Learned (1992) noted the new organisation emerging from the 'maze' of business formation is a unique output created from the interaction of the situation, the entrepreneur and the business idea, and this suggests that no two organisations can be same. Organisations are therefore unique entities that are worth researching since they are founded from a combination of factors mainly the environment and the individual. Gartner, on the other hand, argues that if the entrepreneur and the enterprise are not separable then maybe there is no need to understand / research new businesses. In human capital theory it considered reasonable to conceive the emerging ventures knowledge, skills, and experience and that of the founder as one and the same. New ventures have also been studied by industrial economists looking at the contribution of new business to employment creation, industry dynamics, innovation, productivity and growth (Van Praag and Versloot, 2007). Studies on the importance of entrepreneurship in economic development, as discussed earlier, have produced positive to strong positive correlations between entrepreneurship (measures of new business creation, new product development, employment creation) and economic development (Acs et al, 2007). Gibb (2000) states that the strength of the small business sector can at times be associated with high levels of income and productivity. The theoretical framework of why entrepreneurship is important for economic development (Schumpeter 1934, Kirzner 1973) is the basis of economic impact studies this however, is not in the scope of this study.

Organisational ecologists and economic geographers have also studied entrepreneurship explaining, among others, factors that influence firm entry, firm development, expected profit margins, founding and mortality rates. What is known and generally agreed on is that new firm entry is good for the economy by encouraging competition and sometimes revitalising innovation in the case of high-tech innovative new ventures. Some authors have suggested that the findings of such analyses have lacked theoretical backing (Tamásy, 2007; Singh et al. (2008). However, relationship between demographics as human capital factors (race,

gender, experience, age, ethnicity and education) and entrepreneurship has been extensively researched with gender emerging the strongest distinguishing factor (Delmar and Davidsson, 2000).

It is critical to state at this stage that research in entrepreneurship is gradually progressing to theory development. Studies noted above have formed the critical steps that will see the field of entrepreneurship emerging into a research domain with theories. Summing it up, enormous effort has been invested in developing the domain of entrepreneurship and it is the basis upon which future research will be built. This study is a contribution towards addressing and redressing issues arising in entrepreneurship research specifically on the evaluation of entrepreneurial support programmes. This is critical because according to Rotefoss and Kovereid (2005, p110) 'not all potential founders... found a business'. Selection bias has been discussed as the main weaknesses on new firm studies (Neergaard and Ulhøi 2007). The next section will look at nascent entrepreneurship and entrepreneurial support in the literature. Nascent entrepreneurs that have accessed start-up support and that could have started, be still be trying to start, or have abandoned their new ventures ideas are participants in this study.

### **3.9. The Nascent Entrepreneur**

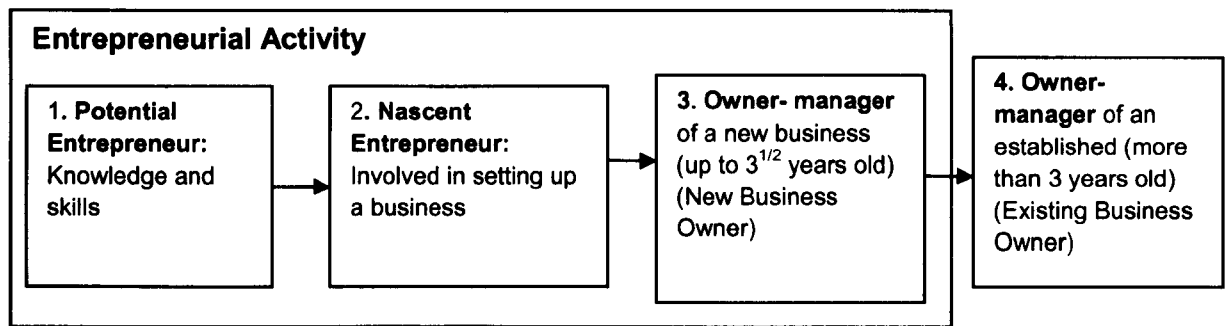
The view of entrepreneurship as the new venture creation process has helped in the building of a fuller view of what the discipline entails and helped to capture individuals who try but may not succeed in creating new ventures. Aldrich and Martinez (2001) note that the formation of a new venture is one possible outcome of the new venture creation process. This is supported by Learned (1992, p39) who notes that: 'not all individuals have the potential to form an organisation. Of those that do, not all will attempt a founding. Of those that attempt, not all will succeed in founding'. Aldrich and Martinez (2001) state that the new venture creation process is chaotic and disorderly. Some people manage to set up new ventures, while some do not and the reasons for both outcomes are thought to be many ranging from personal factors to environmental factors. Gartner (1985) states that entrepreneurs and the new firms are neither ordinary people nor ordinary firms. Sometimes the process of starting a business does not result in the formation of new business and some manage to setup but then fail.

The impetus to research nascent entrepreneurs can be traced back to Paul Reynolds Entrepreneurship Research Centre (ERC) which is an international collaborative project of at least nine countries. The PSED (Panel Study of Entrepreneurial Dynamics) data gathered by the ERC is one of the worlds largest databases of nascent entrepreneur studies and several

studies have been published using the data ( e.g. Reynolds 1992, Diochon et al 2008) The PSED reported that about 4-6% of the working population in the US (United States) take action to start a business. Research in nascent entrepreneurship is a recent phenomena and according to Davidsson (2006) the term nascent entrepreneur first appeared in Reynolds and Miller (1992). A nascent entrepreneur is considered as someone seriously considering setting up a new venture. Aldrich and Martinez (2001) and Reynolds (1994) define a nascent entrepreneur as someone who initiates serious activities that are intended to culminate in a viable start up. Other than serious thought about starting a new business, nascent entrepreneurs are also engaged in other entrepreneurial activities, such as looking for facilities and equipment, writing a business plan, saving and investing money, or organizing a start-up team. The study of these individuals and the activities they pursue is important noting the complexity of the new venture creation process and the importance of human action. The study of nascent entrepreneurs who start, keep trying or give up in the new venture creation process is relevant for governmental agencies that deal with entrepreneurial and small business support. The delivery of business support is about developing interventions that increase individual's ability to set up a business

Parker and Belghitar (2006) noted that the last decade has seen the emergence of new literature that explores the characteristics of nascent entrepreneurs. Preceding research in entrepreneurship had focused on successful entrepreneurs exploring their personality traits, behaviour and 'life-stories', but not all nascent entrepreneurs progress to be maturing entrepreneurs. The focus of previous research on who is an entrepreneur and the study of successful new ventures created a knowledge gap as there was a limited understanding of the events that happen before the creation of a new organisation. Reynolds (1994) notes that the journey from being an adult with a business idea to becoming an individual entrepreneur starting up a company and finally running an established new firm is not a simple one. Past research has compared entrepreneurs to non-entrepreneurs, small businesses to established large organisations, high and slow and this has tended to focus on the exceptions of nascent entrepreneurs that manage to set up business, succeed and grow, this excludes the many efforts that fail (Aldrich and Martinez, 2001). The GEM entrepreneurial activity shows the various stages of entrepreneurial development from conception to established organisation (see Figure 3-8).

**Figure 3-8: GEM Entrepreneurial Process Model**



*Bosma et al (2008, p.6)*

Research on pre-start variables and activities gives insight into the factors that prohibit aspiring entrepreneurs from setting up business. In depth knowledge can assist policy measures that improve general conditions surrounding start-ups thus enabling a more effective use of the nascent entrepreneurs' potential. Promotion of entrepreneurship starts with the support of individuals seriously considering entrepreneurship. According to Carree and Thurik (1999) the number of business owners per work force differs considerably across countries and periods. The cause and consequences of these variations in the level of entrepreneurship are a matter of extensive scientific debate as well as of great policy importance. A higher level of entrepreneurial activity is assumed and shown to contribute to innovative activities, competition, economic growth and job creation (Baumol, 1993; Thurik, 1999; Audrestch and Thurik 1997, 1998, 1999; Thurik and Wennekers, 2004; and Chrisman et al, 1999) note that interpretive strength of demographics and experience is specific to the entrepreneur, industry sector and technology.

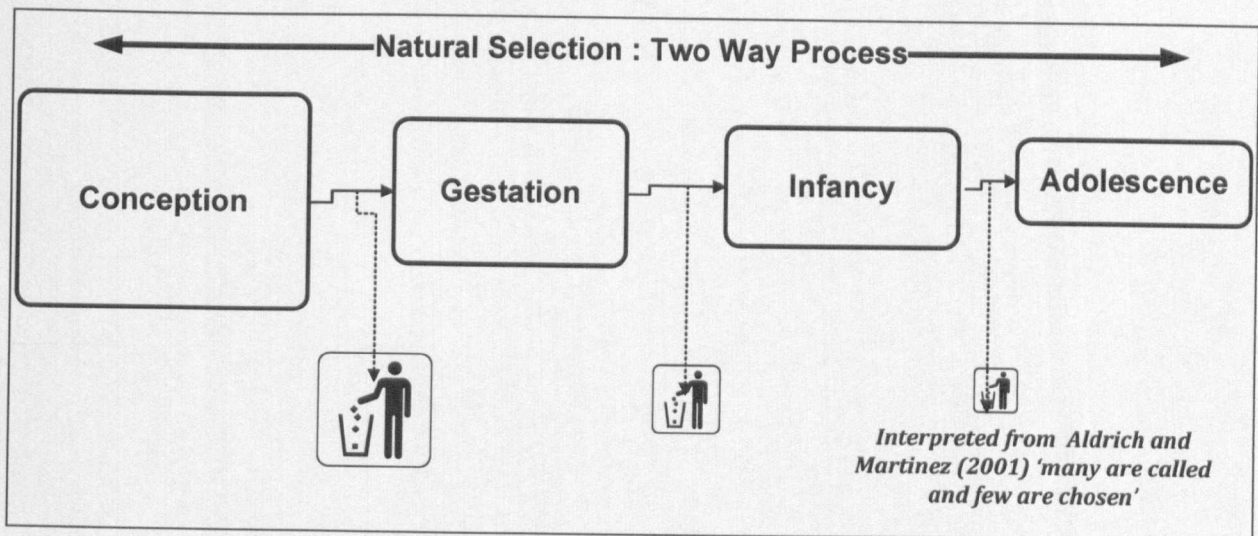
Setting up a business is a risk process with unpredictable outcomes. According to Townsend and Hart (2008) there is little doubt that the process of creating an entrepreneurial venture is fraught with uncertainty. In support to the risk and challenges of new venture creation, Aldrich and Martinez (2001) state that the transition between nascent entrepreneur and a fledgling firm is not a simple one, something which Bygrave (1989) describes and discontinuous and chaotic. To explain the chaos, Bygrave (1989) developed a mathematical characterisation of the entrepreneurial process and concluded that:

- The entrepreneurial event is a discontinuity.
- The discontinuity ranges in size from a quantum jump to a tiny increment.
- The antecedents to the event comprise many factors.
- The event is triggered by changes in the antecedents.
- The changes are usually tiny increments rather than large breakthroughs.

- The event is unique (i.e., cannot be exactly replicated).
- The process is unstable (i.e., outcomes are very sensitive to small changes to the inputs).
- It is a holistic process.

The Bygrave model echoes the assertion that new venture start-up is a complex multi-dimensional process and new venture creation is one of the many possible outcomes. In many cases nascent entrepreneurs' initial ideas die because the initial intentions were misguided or they fail to mobilise the needed resources. As stated earlier, according to the PSED in America, only half of all potential founders succeed in creating an enterprise and less than a tenth of them are able to make their organisation grow significantly. Figure 3-9 shows that entrepreneurship is a multi-stage evolutionary process illustrating three elements key to the understanding of entrepreneurship as a contextual multiple outcome process (Figure 3-9).

**Figure 3-9 Entrepreneurial Development Stages**



As noted above not all individuals who embark to start a business actually succeeds in establishing a new venture. Many people fail as they progress from conception, gestation, infancy, into adolescence as shown by the drops into the 'litter bins' in Figure 3-7. Rotefoss and Kovereid (2005) state that there are three milestones in nascent entrepreneurial development, aspiring, nascent and fledging, and each stage allows people to fallout. Allowing people to drop out is in line with Katz's original model of self employment (Katz, 1992). Aldrich and Martinez (2001, p43) argue that: 'the entrepreneurial cycle concept forces researchers to consider new firms as just one possible outcome (and indeed not the most common) of the entrepreneurial process'. Campbell et al (1970) argue that in

entrepreneurship the individual who succeeds is key but the context of society and of the business environment is also critical. This study captures individual of different outcomes and stages of setting up a business.

As discussed above, the field of entrepreneurship research has been studied from many different perspectives but with limited follow up studies and theory testing. Entrepreneurship as the entrepreneur, entrepreneurship as opportunity identification and development, entrepreneurship as organising, entrepreneurship as new venture creation and entrepreneurship as the newly founded firm summarize the perspectives from which entrepreneurship has been researched. Literature has over the years identified three key subjects in entrepreneurship research these being the individual entrepreneur, the founded firm, and the environment. As applied to the other aspects of entrepreneurial research (e.g. personality traits) that have been discussed, the concern today is the lack of multi level (multi-dimensional) research incorporating the individual, the firm and the environment (Low and MacMillan, 1988, Baum et al, 2001, and Wortman Jr, 1987).

A critical review of nascent entrepreneur literature is emerging and being supported by national nascent entrepreneurial studies. Studies such as GEM and PSED are macro-studies and do not look at the specific role and impact of entrepreneurial support across counties, regions or countries. There is therefore a knowledge gap and a need to link nascent entrepreneur development (either leading to successes or failures) and access to government funded support. The link or relationship is not expected to be simple and this study will explore the context and link the support variables to entrepreneurial progress. This study is not longitudinal in terms of data collection however, it captures the pre-support and the post-support stages as reported by the nascent entrepreneur. The reported data was validated on RBSIS and using manual files (see file study, Section 6.12). Previous studies (Aldrich and Martinez, 2001) have not linked support and nascent entrepreneur development. The stages on development are central to this study and used in the review of the BLSS impact on progress of the nascent entrepreneur. The next section will discuss entrepreneurship support and strategy literature within the context of nascent entrepreneur development.

### **3.10. Entrepreneurship Policy and Strategy**

This section outlines the evolution of enterprise support and discusses the relevant literature. As noted in the introduction to entrepreneurial and business support and in the earlier sections of this chapter, government support of new venture support is justified by the need

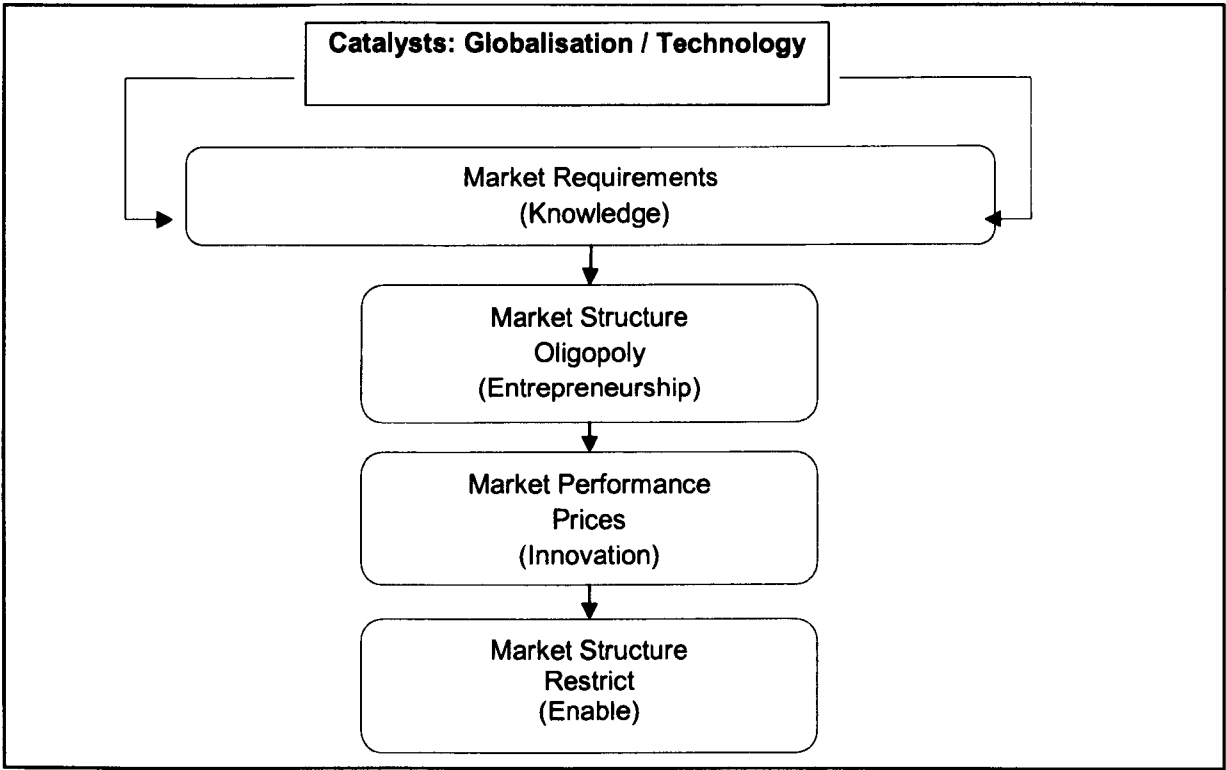
to increase the number of businesses who want to start and increase business survival. In a study of small business failure Dimitrias, (1995) and Ucbasaran et al (2001) state that poor management skills, poor record-keeping, poor money management, too little effort to market the business, poor planning, poor pricing practices, poor human resources management, and the entrepreneurs' inability to adapt to the changing demands of a business are some of the main causes of business failure. The provision of business support, especially training, coaching and mentoring, is meant to develop the human capital to start and manage the start-up or small business and improve its chances of survival. Dunn and Bradstreet estimates that lack of managerial knowledge in legal, financial, accounting and marketing matters resulted in more than 90% of small business failures and state the 'ignorance is one of the main causes of new business failure'. Everett and Watson (1998) state that the two primary causes of small business failure appear to be a lack of appropriate management skills and inadequate capital (both at start-up and on a continuing basis). The main challenge of entrepreneurial support is that for a while it has been developed top down and as Lyons (2003, p99) states: 'entrepreneurs may seek out assistance that does not fit their needs only because it is free or inexpensive or because they do not know what they need'. The next step is to review each aspects of BLSS support that are being reviewed in this study, including training, mentoring and coaching, provision of advice and funding.

In political economic history, economies have been placed on a continuum with wholly government controlled state economy at one extreme and a free market economy on the other. In essence a position on the continuum shows the role or amount of Government influence through regulation, service provision and monetary systems. Chandler (1977), states that in the United States government intervention has been a constant reality reshaping the business environment throughout history. In the 1980s there was downsizing of regulatory agencies and privatisation of previously state owned business on one end and antitrust and small business policies on the other. These phenomena are features of the changing role of government in regulation (market liberalisation) and its role in service provision. In the private sector the recent trend has also changed as large companies migrating manufacturing and production to developing economies with lower labour costs such as Asia (China and India), the Middle East and some parts of Africa. Economic policies are hugely concerned with attracting business, retaining business and creating business, but with the changes in search for lower production costs (and large companies relocating to the developing world) the creation of new business becomes the most viable economic strategy in the developed economies. This justifies the national and regional effort for entrepreneurial support across the worlds, both developing and developing world.



As part of case for rural entrepreneurial support Lyons (2003) argues that rural communities face challenges to new venture creation in the form of limited financial resources (business finance, debt funding and private equity), difficulties to access market, limited information and knowledge about the global market, poor social networks, and limited human face to face interaction which are critical factors in innovation, new venture creation and sustainability. Entrepreneurial policy is aimed at expanding the resource base, create a pool of resources and links between communities. These same factors, whilst they were discussed in the context of rural entrepreneurship, they still apply to many other urban and peri-urban, though to different extents. However, this illustrates that within what is often discussed as entrepreneurial needs, there are several different challenges that entrepreneurs face depending on their environment and individual situation. To a larger extent this justifies why this study views entrepreneurship support policies from a regional perspective even though the national context is acknowledged. Figure 3-10 shows the need for Government participation in business creation.

**Figure 3-10 The Case for Government Support**



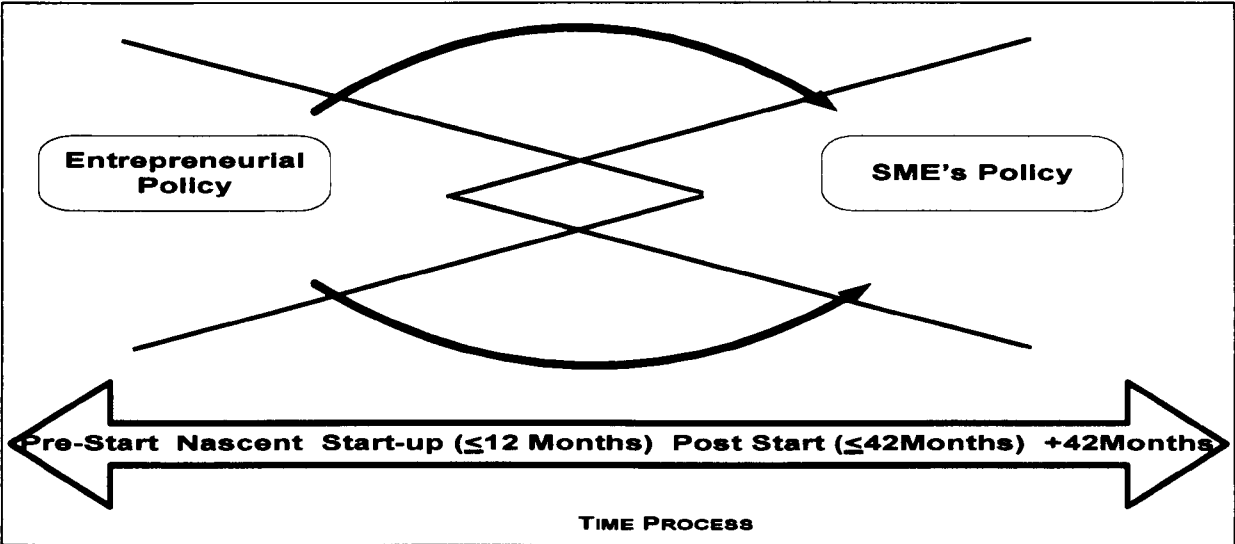
*Gilbert et al (2004, p.315)*

Gilbert et al (2004) argues that when globalisation and technology develop knowledge (not capital), entrepreneurship (not oligopoly) and innovation (not prices) and open markets

become the predominant factors in production. Knowledge, unlike the traditional factors such as land, labour and capital, is uncertain, asymmetric, and not easy to evaluate (Arrow, 1962). Audretsch (1995) states that there are tremendous costs and uncertainty associated with the generation of knowledge. Information asymmetry and high transaction costs are easily described as market failures that justify the intervention by governments and policy to promote knowledge production and commercialisation of knowledge-based activities. Government support to new business is designed to promote entrepreneurial activity by creating an enabling environment and providing information for business start-up and the viability of start up firms. The drive for government initiatives is in short a response to market failures in knowledge based activities.

The focus of this study stretches from pre-start period to the nascent phase (<12months) thus expressing interest in mainly entrepreneurial policy, but also to a lesser extent SME policy. According to Lichtenstein and Lyons (2001), entrepreneurs do not come to entrepreneurship at the same skill level. The introduction of unique individual needs will be highlighted through out the thesis and especially in the analysis of demographic data. It is essential to note at this point that entrepreneurial and SME support programmes are very closely interrelated concepts. From the perspective of this study, it is critical to note that these two concepts are separated with SME programmes viewed as aligned to the support of already existing small to medium enterprises. On the other hand, entrepreneur support programmes are broader and focus on the individual entrepreneurs at varying stages of setting up and running a new business. As stated by Lundström and Stevenson (2002), entrepreneurial initiatives target pre-start and start-up phases of the entrepreneurial process and are designed / delivered to address the areas of opportunity, resource and skill. Figure 3-11 shows the relationship between entrepreneurial support and entrepreneurial process

**Figure 3-11: Entrepreneurship Policies and the Entrepreneurial Process**



*Stevenson and Lundström (2002, p.6) adapted.*

One of the primary objectives of entrepreneurial support policy is to encourage people in the population to consider entrepreneurship as an option then support them to move into the nascent stage by taking the steps to get started. Free and or subsidised support services are therefore, arguably, an essential intervention in the process setup of new business and are meant to develop the human capital to start and manage the start-up or small business and improve its chances of survival. The primary objective is to encourage people in the population to consider entrepreneurship as an option and then support them to move into the nascent stage by taking the steps to get started. The main challenge of entrepreneurial support is that it is designed in government bureaucracies and as Lyons (2003, p99) states 'entrepreneurs may seek out assistance that does not fit their needs only because it is free or inexpensive or because they do not know what they need'. This also illustrates that within what is often discussed as entrepreneurial needs, there are unique individual needs. The diversity and uniqueness of needs, justifies the need for entrepreneurship support policies and evaluation is being viewed from a regional perspective and explores county variations in delivery. The study does take into account the fact that the context of entrepreneurship support varies and has a huge effect on entrepreneurial development (Wagner and Sternberg 2004, Feldman 2001). The introduction of unique individual needs will be highlighted through out the thesis and especially in the analysis of demographic data.

**3.10.1. Training (and Education)**

One of the main objectives of entrepreneurship training programmes is to promote business awareness around self employment as a career option and also provide nascent

entrepreneurs with skills to set up new ventures. Katz and Murphy (1992) state that the decision to get into self employment can be originated through any form of awareness or dissonance therefore entrepreneurial awareness is key to the decision to start. Cooper et al (1994) note that there is a well established relationship between self efficacy and entrepreneurial intention, opportunity recognition and exploitation, and self employment career persistence (Bandura 1977). Given that the entrepreneurship process is a risky and uncertain career path, there is need for people to have entrepreneurial skills and abilities (human capital) to enable them to deal with the challenges of setting up a business and an uncertain future.

A number of theoretical and empirical studies have supported this positive relationship between human capital (self efficacy) and several measures of entrepreneurial success including profitability, growth and innovation (Dickson and Solomon, 2008). Ensley et al (2000, 2006) used multi-year sales and confirmed that self-efficacy is positively related to sales. In addition to being a predictor of entrepreneurial behaviour, an individual's level of self efficacy has repeatedly been shown to have a lasting legacy on successful exploitation of opportunities (Davidsson and Honing, 2003), and venture growth and success (Bandura 1997, Cooper and Lucas 2006). McMullan and Long (1987), Bridge et al (1998), and van der Sijde et al (2001) have noted that the training needs of an individual will vary according to stage of entrepreneurial development, for example pre start-up, start-up, growth or maturity. According to Henry et al (2005) training covers awareness creation, various aspects of setting up and running a business mostly from a practical perspective. Training programme participants are also given practical skills required for small business set-up and management, and preparation of a business plan. Cox (1996) believes that a primary objective of training interventions targeted at the awareness stage of entrepreneurial development is the development of self-efficacy with regard to new venture creation. While the focus remains on new business setup, according to Learned (1992), nascent entrepreneurial development can culminate in the decision to found or abandon the business. Taylor (1999) supports this notion and states that the decision to start, hold or abandon is an informed decision and uses the entrepreneur's ability to make judgements.

Initiatives such as the Science and Enterprise Challenge and the National Council for Graduate Entrepreneurship in the UK show the importance government is placing on the role of entrepreneurial education and training in subsequent new venture creation or self employment. Fiet (2001) noted that there is an ongoing debate in the field about whether entrepreneurship can be taught. Given that the entrepreneurship process is a risky and

uncertain career path there is need for people to have entrepreneurial skills and abilities to enable them to deal with the challenges of setting up a business and an uncertain future. These entrepreneurial skills and abilities have been discussed in detail within the scope of human capital. Recent studies (Baum et al, 2001; Baum and Locke 2004) confirm the accuracy of sales growth as a measure of company growth. In addition to being a predictor of entrepreneurial behaviour an individual's level of self efficacy has been shown repeatedly to have a lasting legacy on successful exploitation of opportunities (Davidsson and Honing, 2003), and venture growth and success (Cooper and Lucas 2006).

Fundamental to the assessment of effectiveness is the extent to which an intervention's objectives have been met. However, as Storey (2000) notes, such objectives tend to be opaque, forcing those attempting any kind of evaluation to infer policy objectives rather than having these clearly defined. In Storey (2000), two samples of entrepreneurs and small business owners who received assistance from entrepreneurship training programs were used to investigate the relationships between:

1. Subjective measures of client satisfaction,
2. Perceptions of performance improvements attributable to the programs, and
3. Objective measures of post-assistance business performance.

The results show that subjective measures are not correlated with either attributions of performance or actual performance. Clients' attributions of the portion of performance improvements attributed to the programs are generally correlated with the objective measurements. The implication is that programme evaluations relying exclusively upon participants' satisfaction or subjective judgments of programme effectiveness may lead to erroneous conclusions about a programme's impact on venture performance. Conversely, measures of attribution, used in conjunction with objective measures, may be useful to support claims for causal connections between assistance programmes and subsequent client performance. This study uses both subjective (quality) and objective measures (stage) in order to capture a whole context and outputs of BLSS.

### **3.10.2. One to one Advice**

The role of the business advisor continues to change from 2007-10 to emphasised brokerage and referral rather than direct help. Most research (Mole et al 2009, Robson and Bennett 2000) explores the relationship between access to business advice and small business growth and concluded that there is a positive relationship between access to business support and business growth without testing for causality. As stated earlier, this study

however focuses on the relationship between business advice and the nascent entrepreneur development stage rather than business growth.

The assertion by Gilbert et al (2004) about the falling importance of capital is discussed in the scope of this study under funding in this chapter, chapter 5 and 6 and based on data conclusions are made on the significance of funding.

### **3.11. The Delivery of Government Contracts**

This section is a critical review of literature around the implementation and evaluation of government contracts. This thesis is centred on the BLSS contract 2007-10 which was a government contract for the delivery of BLSS in the East Midlands region. Fredericks et al (2002) noted that since the 1980s, there have been at least four major changes in the political and organisational landscape of the social service delivery network in the United States: (1) an increased interest in accountability and performance measurement in all levels of government and in the non-profit sector, (2) the delegation of social services from the federal level to states, (3) the increased reliance on non-profit organisations for service delivery, and (4) the proliferation of complex social service provider networks made up of multiple sponsors and stakeholders. The phenomenon of accountability and measurement was adopted in Whitehall over the same period as political accountability became more about a performance and effectiveness in carrying out the public mandate. A confluence of factors and events prompted concerns over both government and non-profit accountability (Kearns, 1994), bringing the issues of program evaluation and performance measurement into the forefront of public management. Government programs across the world are now subject to proper contract design, a defined tasking framework, output / outcome targets and termination clauses.

Lord Kelvin, 1824-1907.stated that:

‘when you can measure what you are speaking about, and express it in numbers, you know something about it...[otherwise] your knowledge is of a meagre and unsatisfactory kind; it may be the beginning of knowledge, but you have scarcely in thought advanced to the stage of science’.

Performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress towards pre-established goals. It is typically conducted by program or agency management. The United States General Accounting Audit (GAO, 2005) states that performance measures address the type or level of program activities conducted (process), the direct products and services delivered by a program

(outputs), and/or the results of those products and services (outcomes). GAO (1998) states that program evaluations are systematic studies conducted to assess how well a program is working examining achievement of program objectives in the context of other aspects of program performance or in the context in which it occurs.

According to Romzek and Johnston (1998), an important feature of any contract is a clear and mutually understood specification of each party's contractual obligations and how the contractor's performance will be assessed. Accountability under contracting requires specification of mutual expectations, responsibilities, and obligations of the contracting parties. The main challenge that accountability poses for public managers is the presence of multiple sponsors, competing, and shifting performance expectations (Hayes, 1996; Herman and Heimovics, 1991; Khademian, 2000; Klingner, Nalbandian, and Romzek, 2002; Romzek and Dubnick, 1994). In addition to being clear and specific, performance management and reporting needs to provide the state with the information it needs to determine whether and how well the contractor is performing. Parties therefore need to agree that the performance measures and deliverables are suitable to the objectives of performance assessment. However, the development of suitable performance measures may not be straightforward, particularly for social service programs (Behn and Kant 1999; Lynn, Heinrich, and Hill 2000). Government contracts have traditionally relied on inputs, process, and output indicators, emphasizing staffing loads, funding compliance, and caseload head counts (Fredericks, 2002). Outcome-based measures present formidable new challenges, including political disagreements about performance standards and the time lag between the program intervention and outcomes. In reality, contractors are rarely in total control of outcomes (Romzek and Johnston, 2005). These issues must be carefully considered when the contract is structured.

This study investigate seeks to understand the interpretation of the BLSS contract by BLCs and assess the impact (if any) on the delivery of the contract over the three year period. The BLSS contract was specific with target outputs and outcomes. However, as Hemmelgarn et al (2006) states, human service organisations create a social context for the services they provide and this context affects the quality and outcomes of the service in a variety of ways. This study will explore the BLSS within the context of the BLSS contract. In his tale of bureaucracy at two government agencies Blau (1963, p37) notes that 'social scientists are only too familiar with the fact that the process of collecting information on people's activities influences these activities'. Key to this study is an assessment of how the output and outcome targets outlined in the BLSS contract impacted on the delivery of the contract. The

BLSS contract had numeric targets for key performance indicators of the service among them, number of people trained, number of businesses mentored, number of businesses surviving (number of business started) and penetration targets. These measures were set out within the contract tasking framework and renegeing on delivery could lead to contract termination. This is addressed mainly through the interview data and supported by the qualitative analysis of the BLSS service users' profiles vs. stage of entrepreneurial development.

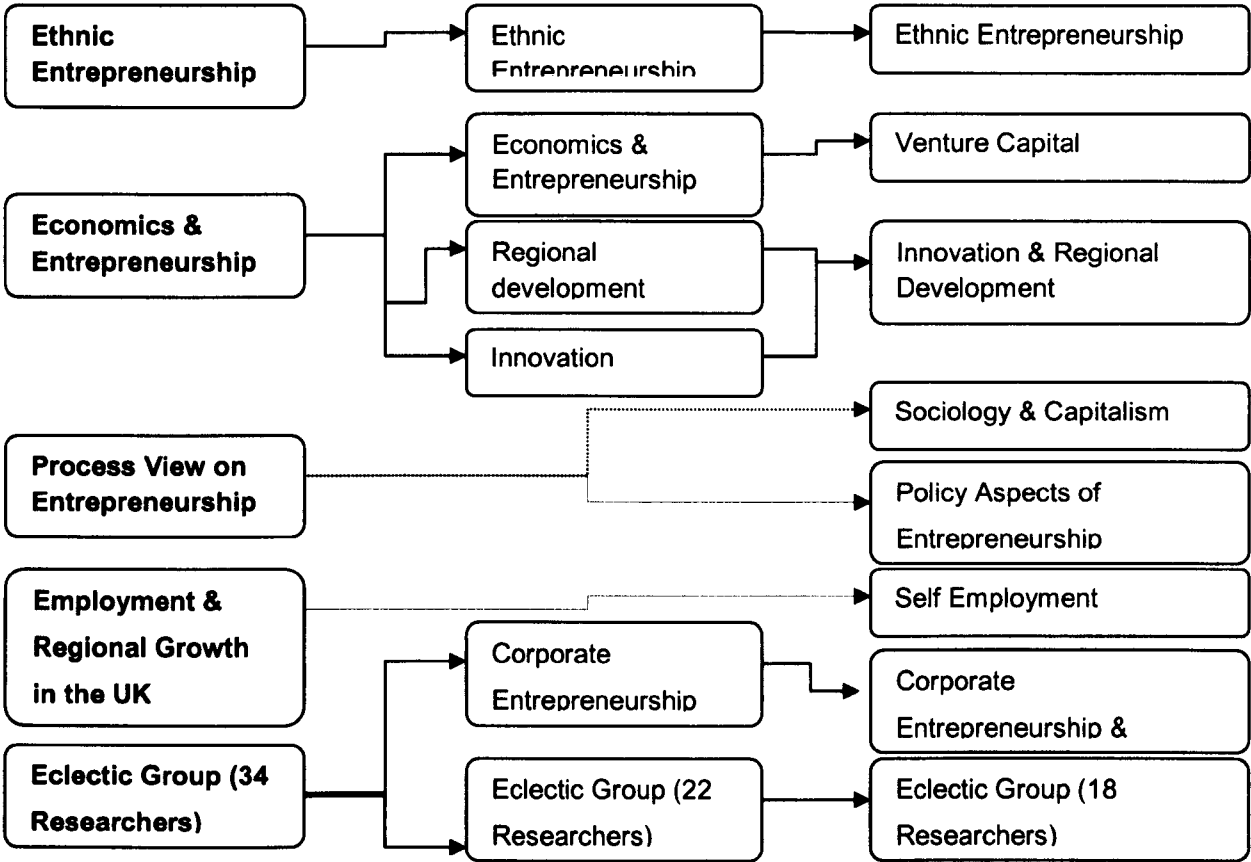
The next section looks at the methodological distinctiveness of entrepreneurship research in literature.

### **3.12. Distinctiveness of Entrepreneurship Research**

This section looks at the development of entrepreneurship research and the implications on research methodology. Cornelius et al (2006) add that entrepreneurship is dynamic and constantly reinventing, and evolving towards a more mature discipline and has started to show more specialisation than fragmentation. A literature study in entrepreneurship shows that the question that remains unanswered and towards which most research is directed is why some people are successful entrepreneurs and others are not (Gartner, 1989). Figure 3-12, adapted from Cornelius et al (2006) shows shifting clusters of entrepreneurial research and its evolution from 1986 to 2004. It illustrates entrepreneurship as a progressively maturing research discipline which is evolving from fragmentation to specialisation. Ethnic entrepreneurship has however, shown greater consistency and development over the years thus greater accumulation of knowledge.



**Figure 3-12 Entrepreneurship Research Development**



**Cornelius et al (2006, p.394) adapted.**

Factors that discriminate between success and failure have ranged from micro-variables (personality and character traits, human capital) to macro-variables (social capital, opportunity, human capital, competition, and business environment). Despite the large number of publications and research that has been conducted there are standing calls for more robust scientific studies in entrepreneurship [Hisrich and Drnovsek (2001); Low and MacMillan (1988)].

In reviewing the literature on entrepreneurship, it is evident that researchers tend to use different research methods to answer different types of research questions as in other social sciences. Qualitative methods (case study, biographical, narrative, ethnographic, in-depth interviews etc) have been used in various publications, all with the intention to explore, describe and provide context details about entrepreneurship research. This type of research is very common with research aimed at chronicling life stories of entrepreneurs and understanding decision making processes. The use of qualitative methods of research in entrepreneurship has been supported on the basis that entrepreneurship is an emerging phenomena progressing toward the development of theory, concepts and model of study

(Bygrave, 1989). Quantitative studies have been used to explain phenomena and bring objectivity and measure to this highly subjective research area of entrepreneurship. Bygrave, (1989, p11) argues that the entrepreneurship paradigm is simply at too early stage of development to justify the use of so much mathematics. Bygrave (1989) further states that entrepreneurship, unlike physics, is characterised by fuzzy definitions, and nebulous populations to be scientific. However, in a bibliometric study of entrepreneurial research (Chandler and Lyon, 2001), the results show that 70% of research publications were empirical studies and only 18% used qualitative methodology while the rest used quantitative methods. This has been linked to the development towards maturation of the entrepreneurship paradigm and main journal publication preferences with a bias towards rigorous quantitative methods (Chandler and Lyon, 2001 and Cornelius, 2006) and the domination by USA based journals. Table 3-2 provides a snapshot of entrepreneurial research categorised by methodology and generally indicates that qualitative methods are used to explore phenomena while quantitative research is used to explain phenomena.

**Table 3-2 Research Approach Subject Table**

| <b>Methodology</b> | <b>Author(s)</b>                               | <b>Subject of Study</b>   |
|--------------------|--|---|
| Qualitative        | Ford, (2006)                                   | - an action approach – Organisational change and learning   |
|                    | Fills, (2007)                                  | -a biographical approach, methodology for researching international fellowship in SME's.                              |
|                    | Rae and Carswell (2000)                        | -a life story approach in researching entrepreneurial learning.   |
|                    | Pech and A. Cameron, (2006)                    | -an entrepreneurial decision process model.   |
|                    | McCormack and Rauseo, (2005)                   | -used an enterprise process view, risk taking behaviour of successful entrepreneurs                                   |
|                    | Kelliner and J. B. Henderson (2006)            | -case study approach -a learning framework for the small business environment.  |
|                    | Clarke and R. Thorpe, (2006)                   | -action learning in SME's, multi-Stage / multi-dimensional:   |
|                    | Choueke and Armstrong, (1998) McCarthy, (2003) | -the learning organisation in a small organisation.<br>-insights into entrepreneurial firm decision making processes. |
| Mixed Methodology  | Farr and Y. Brunetto (2007)                    | -women entrepreneurs' opportunity recognition.  |
|                    | Bryant (2007)                                  | -self regulation and decision heuristics in entrepreneurial opportunity evaluation and exploitation                   |

| <b>Methodology</b>                          | <b>Author(s)</b>               | <b>Subject of Study</b>  |
|---|--------------------------------|--|
| Quantitative                                | Hansemark (1998)               | Statistical hypothesis testing - the effects of an entrepreneurial programme on the need for achievement and locus of control. |
|   | Baum et al (2001)              | -the relationship between entrepreneurial traits, skills and motivation to subsequent venture growth.                          |
|   | Cohen and Kaimenakis, (2007)   | -the relationship between various aspects of intellectual capital and corporate performance.                                   |
|   | Bennet (2007)                  | -expectations based evaluation of SME advice and consultancy.  |
|   | Zhao et al (2005)              | -the mediating role of self efficacy in the development of entrepreneurial intentions  |
|   | Zhao and Seibert (2006)        | -meta-analysis - tests the relationship between entrepreneurial status and personality traits.                                 |
|   | Miner and Raju (2004)          | - meta-analysis - assessing the risk propensity of managers and entrepreneurs and of low and high growth entrepreneurs.        |
| Literature survey and use of secondary data | Hisrich and Drnovsek (2001)    | -entrepreneurship and small business research literature survey and classification.  |
|   | Biggs (Unknown)                | -literature survey on SME support and their importance to the economy.   |
|   | Shane and Venkataraman, (2000) | -evaluating entrepreneurship research literature and development of a conceptual framework.                                    |
|   | Thurik and Wennekers, (2004)   | -a study of entrepreneurship, small business and economic growth.  |

***Compiled by the author (2009)***

In view of the various concerns about the quality of entrepreneurship research a number of bibliometric studies have been carried out to assess research direction and progress. The call by (Low and MacMillan, 1988) for quantitative, multi-dimensional and multi-level research came in the wake of a 'hodgepodge' of qualitative research. Bygrave (1989) and Gartner et al (2006) acknowledge the participation of researchers from various fields in the study of entrepreneurship that bring 'home' discipline, best practice and theory into the study of entrepreneurship. This is noted to partially explain the fragmented nature of entrepreneurship research, differences in methodologies and the lack of consensus on definitions. Hisrich and

Drnovsek (2001) note that there are methodological variations between Europe and North America with the latter (academic and journal publications) preferring theory backed quantitative research while European standards allow for methodological flexibility with a bias toward theory and model building. Gartner (1989b) raises concerns that researchers in entrepreneurship show a general lack of appreciation of already published research in the field and fail to apply existing theories which offer the basis for conducting research and hypothesis testing.

### **3.13. Summary and Locating the Study in Literature**

The literature study shows that entrepreneurship, entrepreneurs, business support and enterprise have been investigated from many different perspectives. Entrepreneurship development theory discusses how individuals identify opportunities, start new venture creation activities and progress to New Venture Creation (NVC) however; this has not been linked to the delivery of support. The critical question that this study aims to address is the link between government funded business support and individual progress towards new ventures (Did BLSS assist individuals to complete new venture creation activities and progress to set-up new ventures?). This study takes a view of the BLSS programme 'through the lenses' of entrepreneurial theory relating to new venture creation activities and stage of entrepreneurial development.

**Table 3-3 Entrepreneurship Theory, Gaps and Scope of Study**

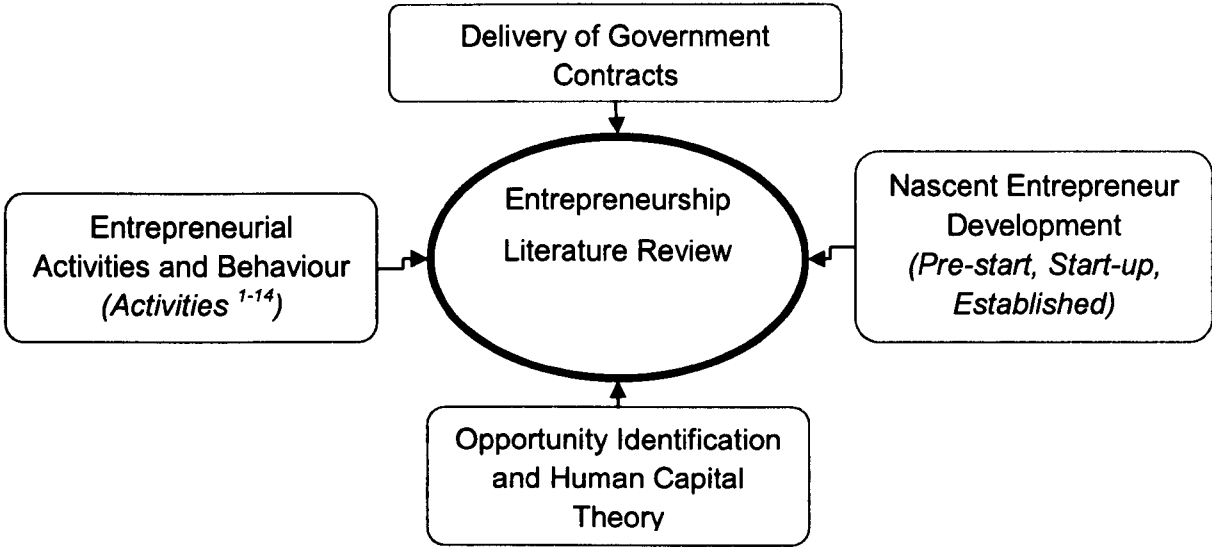
| <b>Theoretical Framework</b>                       | <b>Relevant Discussion</b>   | <b>Gaps</b>   | <b>Incorporation in Methods and Analysis</b>  |
|--|--|---|---|
| Entrepreneurship as the entrepreneur               | Studies around what distinguishes an entrepreneur from a non-entrepreneur and an entrepreneur from a manager have generally been inconclusive (McClelland, 1965; Brockhaus, 1980; 1987; Hornaday and Bunker, 1970). The important learning point for this study was eliminating this approach from the possible focus of the study. The lack conclusive lists in this area paved way for the behavioural approach. | Inconclusive and shifting towards behavioural studies.  | Character and personality traits not part of the analysis.  |
| Entrepreneurship as what the entrepreneur does     | The activities that pre-start and start-up entrepreneurs engage in on the path to establishing a new business have been discussed. The new venture creation activities do form a central part of this study.   | Completion of activities has not been related to start-up support in previous studies. The role of BLSS in the completion of NVC activities is explored and analysed in this study. | The 14 (reduced to 13) new venture creation activities as listed by Carter et al (2001) are used to evaluate the pre-BLSS and post-BLSS development of nascent entrepreneurs. |
| Entrepreneurship as opportunity identification and | Opportunity identification research brings to the fore human capital factors as an explanation to why some people identify and successfully exploit  | Previous research has not analysed human capital factors in the context of a  | Entrepreneurship support programmes training, information, and brokerage are centred on the development of human  |

| Theoretical Framework                      | Relevant Discussion  | Gaps  | Incorporation in Methods and Analysis  |
|--|--|---|--|
| development                                | opportunities while some do not (Shane, 2000; 2003). This is a departure and development from the personality and character traits which was inconclusive.   | start-up programme.   | capital to aid new venture creation. The quantitative aspect of the study analyses the sample demographics around the key discriminators in literature (age, gender, work experience, entrepreneurial experience etc). The demographic profiles of supported individuals are analysed in relation to stage of entrepreneurial development and completion of new venture creation activities. |
| Entrepreneurship as the newly founded firm | Literature on the survival and growth of the newly founded firm partly focuses on the owner manager human capital. Research in this area is in parallel development with general studies on human capital in entrepreneurship. | The main weakness is selection bias; only the surviving firms are studied. This study includes nascent entrepreneurs at various stages. | Human capital factors are incorporated in the data gathering and analysis as discussed above.  |
| Nascent entrepreneur development stages    | Conception, gestation, adolescence as proposed by Aldrich and Martinez (2001) as discussed earlier are important in understanding new venture creation. Theory on entrepreneurial  | This study uses entrepreneurship development stages in the review of a start-up   | The stages of entrepreneur development are used in this study to assess individual progress and development. The sages were operationalised as pre-start, start-up   |

| Theoretical Framework | Relevant Discussion  | Gaps  | Incorporation in Methods and Analysis  |
|-----------------------|--|---|--|
|                       | development is central to start-up programmes that aim to allow the progression of individuals from pre-start to starting new ventures.  | programme.  | and established stage. The qualitative and quantitative analysis investigates the programme intention and its ability to progress individuals.           |
| Methodology           | Qualitative, quantitative and mixed method approaches have been applied in the study of entrepreneurship and this is discussed in detail in section 3.12. There is limited research around nascent entrepreneur support programmes as discussed in 3.9 and 3.10. | This study uses a mixed method (Qualitative – quantitative) and multi-level approach (different participants) to assess the BLSS. | The use of a sequential mixed method study that develops from phase one (qualitative data) to phase two (quantitative data) data gathering and analysis. |

Figure 3-13 Literature Literature Dimensions summarises the main literature dimensions informing this study.

**Figure 3-13 Literature Dimensions**



Based on this existing gap (the lack of a link between theory and practice) in literature it is therefore necessary to carry out an entrepreneurship theory based review of the start-up support programme in the East Midlands. The use of the entrepreneurship theory as lenses to assess the BLSS programme design and delivery is critical to create knowledge to link theory and practice. The various forms of start-up support (diagnosis, information, training, advice and brokerage) are central to this study and are being reviewed in the context assisting individuals to progress towards new venture creation.

**3.14. Conclusion**

This chapter is a discussion of the many perspectives of entrepreneurship and the relevance of each section for this study is highlighted. The review of literature also provides methodological lessons in literature that have informed the discussion in Chapter 4. In chronological order this chapter can be summarised as a review of literature in entrepreneurship, nascent entrepreneurship and perspectives of research in the field, the definitional challenge, the case for entrepreneurial support in literature, government contracts, and the delivery of support. It also showed that entrepreneurship is a multi-dimensional field and so is entrepreneurship support. Chapter 3 is a critical review of literature looking at how the research domain has evolved over time and discusses the gaps in literature and demonstrated the place of this study in literature. This chapter feeds into the next chapter (Chapter 4). Chapter 4 is a discussion of the philosophy of knowledge, epistemological and methodological framework and also presents specific details of the chosen approach and its execution in this study.

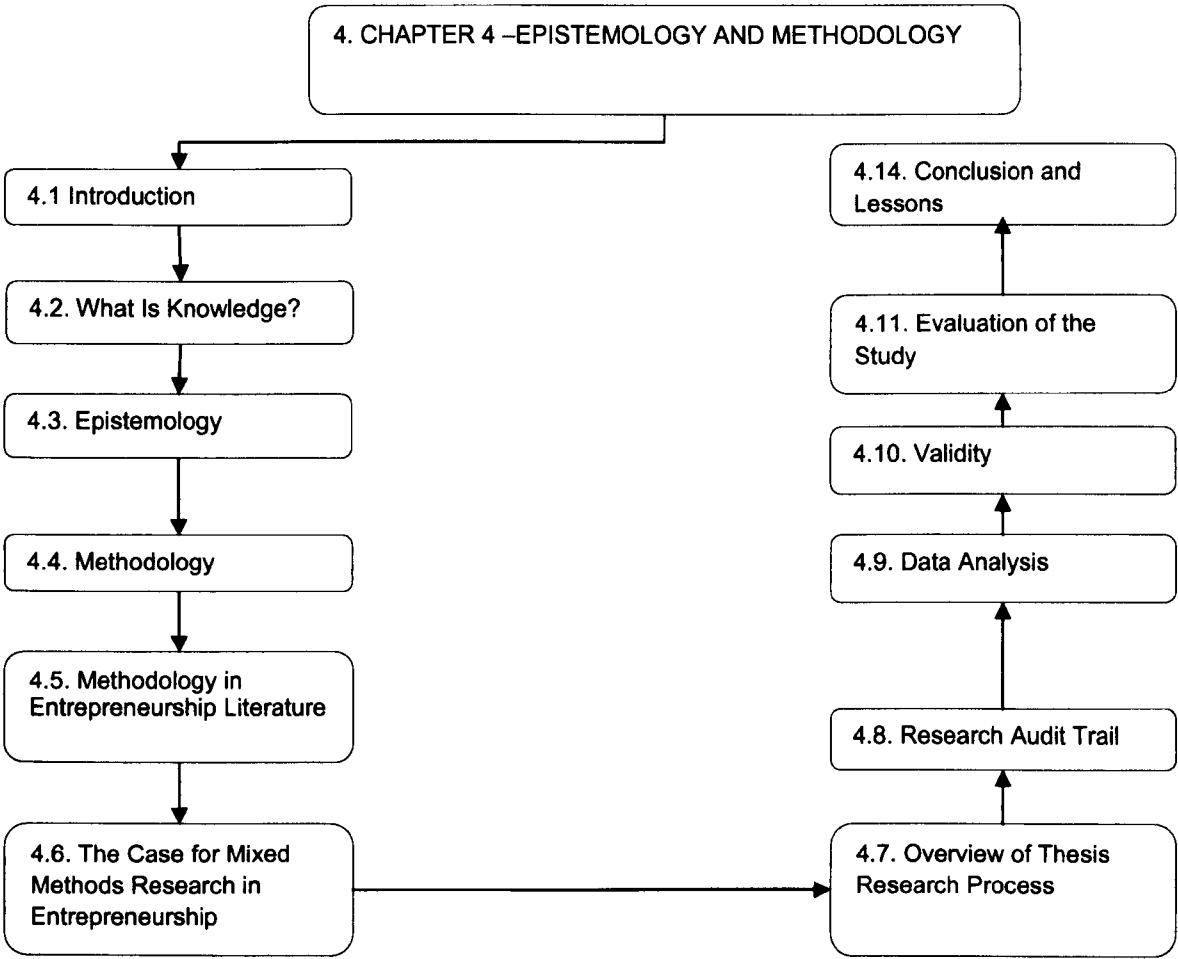


# CHAPTER 4: EPISTEMOLOGY AND METHODOLOGY

## 4.1. Introduction

This chapter discusses epistemology, knowledge and methodology broadly and their application in this thesis. The section begins by giving an overview of knowledge and how it is defined. This is immediately followed by a discussion of epistemology and presents a critical historical review of the paradigms of interpretivism and positivism. There are many schools of thought in epistemology, some considered irreconcilable, and the main paradigms (positivism and interpretivism) are discussed in this chapter, building an understanding of their implication for this study. This detailed discussion of methodological issues, choices and challenges in research leads to the thesis methodological choice and its justification. Chapter four is structured as shown in Figure 4-1.

Figure 4-1 Chapter Four Layout



## 4.2. What Is Knowledge?

The quest for knowledge by mankind can range from very simple and standardised activities (such as measuring temperature using a thermometer) to relatively complex inquiries and

explorations (such as the recent Opportunity and Spirit Rovers expedition to planet Mars). Moser et al. 1998 assert that humans continuously aim through their lives to acquire knowledge. Knowledge is defined by the Oxford English Dictionary variously as:

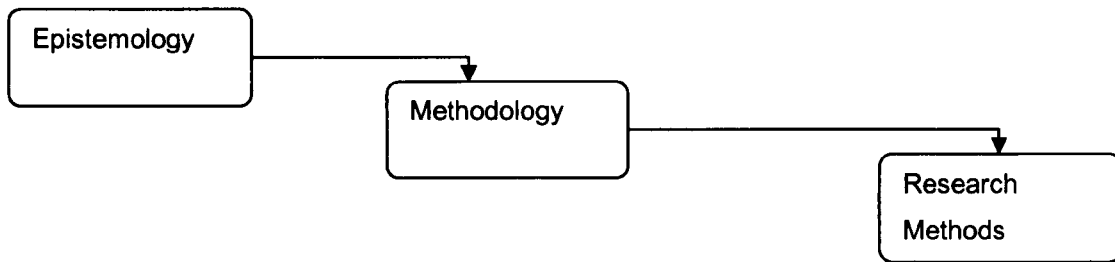
‘...expertise, and skills acquired by a person through experience or education; the theoretical or practical understanding of a subject, what is known in a particular field or in total; facts and information or awareness or familiarity gained by experience of a fact or situation’.

Knowledge is Justified True Belief. However, Bernecker, (2006) states that knowledge is justified, true, belief (JTB) plus a fourth variable condition. This is to satisfy the Gettier problem (Gettier, 1963) which states that JTB is fallible. Research is about creating knowledge. In order for research to add to knowledge, it has to satisfy conditions which relate to the principles of acquiring knowledge. Epistemology and methodology relate to the creation of valid and reliable knowledge by broadly defining the philosophical and theoretical underpinnings of research methods. Epistemology and methodology are discussed further below.

### **4.3. Epistemology**

Epistemology originates from the Greek; episteme which means knowledge and logos which mean theory of explanation (Moser et al., 1998). Epistemology defines the framework of what can be known (Kant 1724-1804). Seale (1998) defines an epistemological argument as a claim about how one can gain true knowledge of the world. According to Seale (1998, p326) epistemology refers to ‘...the philosophical theory of knowledge, consisting of attempts to answer questions about how can we know what we know and whether this knowledge is reliable or not’. Williams and May (1996) state that epistemology is an answer to the question, where does knowledge come from and how reliable is it? In support of Williams and May (1996), Hussey and Hussey (1997) also state that epistemology is concerned with the study of knowledge and what is accepted as valid. Epistemology seeks to explain how researchers should view and acquire valid and reliable knowledge about the world. There are a number of schools of epistemology with positivism and interpretivism being the extreme opposite ends on a continuum. Creswell (1994) notes that these frameworks differ in terms of ontology (what is reality), axiology (what is the role of values) rhetorical view (what is the language of the research), methodology (what is the process of research) and research methods (collection and interpretation of data). Figure 4-2 shows the link between epistemology and research methods.

**Figure 4-2 Epistemology – Research Methods Link**



The common statement that 'Knowledge is power' implies that knowledge is not universally or evenly distributed to every individual and to a large extent what a person 'knows' is a function of many variables. This raises the question, is knowledge objective or subjective? Hammersley (1995) notes that ordinary language does not make a distinction between the words understand (interpretive) and explain (scientific) which are the important words that differentiate interpretivism and positivism. Further to understanding and explanation, objectivity (positivist) and subjectivity (interpretivists) define a researcher's view or position on the role of values (axiology) in research.

Positivists argue that knowledge originates from sense of experience (seeing, touching, and tasting, smelling and hearing). Seale (1998) states that the positivist paradigm claims that only scientific methods can produce knowledge of the world because the world exists independent of people's perceptions about it. According to Hussey and Hussey (1997) positivism maintains that only phenomena that can be observed and measured are valid knowledge. Positivism is concerned with explaining, showing causality and predicting while interpretivism is about understanding. Interpretivists claim that scientific methods are irrelevant to research in social sciences since the world is a nexus of social meanings and symbols that require unstructured examination and thorough understanding. In interpretive research the source of knowledge is reason.

'Scientific knowledge is thought to be valid because it is a complex product of such innumerable, systematic and repeated observations' (Seale, 1998). The positivist's research setting establishes the researcher as an independent (non-participatory) and objective observer. Interpretivists on the other hand argue that the study of human sciences is so complex and entangled in meanings (symbols, values & norms) that it requires participatory and subjective involvement of the researcher. This agenda of participatory involvement is further progressed in the feminist approach to research, which argues that research on women (and other sensitive participants) issues have to be referenced from a woman's

(sensitive researchers) perspective to eliminate the usage of men's set of behaviours or responses as the norm (Seale, 1998). This is a call for a deeper understanding of women's issues from their perspective interpreted by a researcher who appreciates (participatory research) the social structures in context (Seale, 1998). This is called 'stand point' research since it acknowledges that the view of the researcher does matter (Silverman, 2000) characterising the world from a specific social perspective (Denzin and Lincoln, 2000)

Reconcilers (anarchists), as described by Feyerabend (1975), argue that the world that is being studied is hugely unknown and defining a framework (positivist / interpretivist) can limit the scope of knowledge. Weber, who worked in the anti-positivist framework, is considered one of the earliest philosophers to propose the use of non-scientific methods in the study of social sciences (Seale, 1998). However, Weber did acknowledge some aspects of experimentation and is thus considered a reconciler adopting mixed methodologies. In mixed method studies the only rule that survives is 'anything goes' (Feyerabend, 1975). Mixed methods therefore exist in the world of pluralists and anarchists (Seale, 1998) but do not exist for purists who consider the paradigms irreconcilable. The jockeying for superiority between these two extreme frameworks continues and has led to the emergence of 'hybrid' epistemology that include post-positivism and post-modernism. These frameworks will be discussed further as the chapter progresses to analyse each of the main epistemological frameworks in detail.

#### **4.3.1. Inductive and deductive approaches**

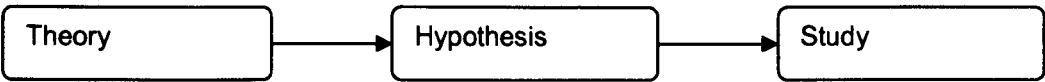
Induction and deduction are the two fundamental ways of engaging in the research process (Saunders et al, 2003). According to Ghauri and Grønhaug (2002), inductive reasoning is the systematic process of establishing a general proposition on the basis of observation of particular facts. This involves a process of observing particular cases or facts to generate a theory. Inductive reasoning is driven by observations and therefore helps to explain the findings based on the evidence. The inductive approach moves from more specific data to more analytical generalisations (Marschan-Piekkari and Welch, 2004; Miles and Huberman, 1994). On the other hand, deductive reasoning is concerned with "the logical process of deriving a conclusion from a known premise or something known as true" (Ghauri and Grønhaug, 2002). Within the deductive approach, the research process starts with more general theories or premises which are considered to be true for the purposes of exploration (Hyde, 2000). Data or facts are therefore scientifically gathered to confirm or disprove the propositions from existing knowledge. Ghauri and Grønhaug (2002) argued that "the processes of induction and deduction are not totally exclusive of each other and induction includes elements of deduction and vice versa." Quinton and Smallbone (2006, p6) added

that “in reality, there is not such a sharp divide between these two research approaches.” The next section will discuss the history and development of interpretivism.

**4.3.2. History and Philosophy of Positivism**

Seale (1998) notes that sociological positivism can be traced back to Comte (1798–1857). The writings of Comte affirm that knowledge can only be gained through observation and experience using the five human senses as stated earlier. Positivists recognize two forms of knowledge, empirical (derived from natural sciences) and logic (derived from mathematics). Bryman (2004) defines positivism as an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality. The positivists’ framework is based on the unity-of-science which states that scientific methods can be used to study social sciences and produce valid knowledge. Bryman (2004) states that positivism is a philosophy which proclaims the suitability of scientific method to all forms of knowledge and gives an account of what that method entails, divergent versions notwithstanding. Scientific inquiry is deductive, beginning from theory (general laws), and initial conditions before focussing on variables to be explained (Karl Popper 1902-1994). Figure 4-3 shows the deductive flow in positivism.

**Figure 4-3 Deductive Flow**



To a large extent positivism is about the creation of an experimental and control environment thus allowing the researcher to measure the impact of induced variables on the experiment group. The positivist framework is accorded general acceptability for its capacity to explain, test causality and predict relationship between variables. Fay (1975) notes that scientific explanation and prediction are inseparable since explanation is incomplete without prediction. The positivist epistemology as proposed by Popper (1902-94), Durkheim (1858-1917) and Kuhn (1970) shows slight variations in terms of the ontological, methodological, rhetoric and axiological perspectives. Popper insists on the researchers’ independence and objectivity, while Kuhn acknowledges the role of values to a limited extent. The ontology for positivism is nomothetic and its axiology is ‘value-free’.

Positivism asserts that research can be conducted in a scientific, independent and value-free-manner. Punch (1998) defines scientific research in any area as one that seeks to trace causality. Causality, as alluded to earlier, is linked to experimentation, control and prediction

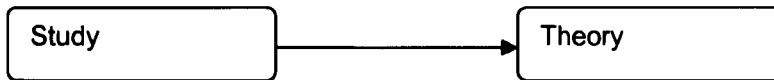
of phenomena. Positivists explain causality between variables and test hypothesis that can be refuted /accepted (hypotheses can not be proven). Positivism is sometimes interpreted narrowly as an equivalent of quantitative research on the basis that it is hugely concerned with observation and measurement of phenomena (Hussey and Hussey, 1997). Positivism insists on objectivity and use of fairly large samples which allows research results to be generalized to populations. However, criticism of positivism has hinged on its over-reliance on scientific measurement methods (independent observation and logic) which are considered insufficient to explain underlying meaning and the context of human study. The criticism of quantification, 'not everything that can be counted counts and not everything that counts can be counted' holds strongly when positivism is classified narrowly as quantitative research. In such a scenario where positivism is equated to quantitative research there is a tendency, as argued by Sapsford and Jupp (1996) to degrade information to numbers. In entrepreneurship, by the very nature of the field, it has proven challenging to create experimental and control groups and to identify reasonably large samples (Neergaard and Ulhøi, 2007), and this has hampered the creation of knowledge (Bygrave, 1989). The limitations of carrying out whole hearted scientific studies in entrepreneurship are discussed in detail in later sections of this chapter. However, positivism is rejected by interpretivists on the basis that it fails to take account of social meanings and consciousness of being (Lebenswelt).

#### **4.3.3. History and Philosophy of Interpretivism**

Interpretivism is a rejection of the use of scientific methods in the study of social sciences. Its extreme argument is that the study of social science is not a science. Interpretivists believe that the nature of human social life is so complex that it can not be understood through the use of scientific methods. The outlined deficiencies of scientism are the basis upon which interpretivism (Verstehen) is built. The ontology of interpretivism is ideographic thus acknowledging Lebenswelt. Its axiology is 'value-laden'. The researcher's attitude, perception, prior knowledge, and values are an essential part of the research and have an impact on the study. It also states that the being and the world are inseparable (Husserl 1859 –1938). Halfpenny (1984) contend that a separation between nature and culture is ill-advised since it is essential to maintain connections between theory and every-day language.

The interpretive research process begins with understanding the context of emerging themes not from theory and hypothesis as in the positivist framework, as shown in Figure 4-4.

**Figure 4-4 Inductive Flow**



Interpretivism argues that the world of humans has symbols, rules, norms and values that shape language and behaviour (Seale, 1998). Sub-branches of interpretivism include phenomenology, ethnography, grounded theory, action research and feminism. Research approaches differ in terms of the extent to which the researcher is involved, and the degree to which values and human consciousness (being and sensitivity of humans to measurement) are incorporated, bracketed and reduced (epoche or eidetic). Meleau-Ponty (1962) noted that that phenomenology is characterised by qualities of description, reduction, essence and intentionality. The position is that the world already exists and consciousness interacts with the world. Phenomenology therefore entails the understanding of human experiences within their context. Husserl's transcendental phenomenology was challenged by the emergence of hermeneutic (existential) phenomenology that emphasised the importance of being. Hermeneutic phenomenology argues that people are not separable from the world thus *being-in-the world* (Lebenswelt).

Ethnomethodology, an idea of Garfinkel (1967), appreciates the role and context of language. It does not separate 'the world of scientific discourse from the world of everyday language' (Seale, 1998). In reality it entails conversation analysis to understand deeper and underlying contextual meanings. There are many forms of phenomenology and ethnomethodology with variations in their axiology and ontology but broadly they share a common perspective which is anti-positivism. Interpretivism acknowledges the importance of values in research. The interpretive framework is critiqued for its general lack of structure and undefined research methodologies which tend to produce highly subjective studies. The incorporation of values and the lebenswelt (living world) does aid in building the validity in research but at the same time reducing the repeatability of the study.

As noted earlier, entrepreneurship research does suffer from sampling constraints. Qualitative studies that have been conducted to understand phenomena within social contexts. Interpretivist approaches, while fitting the emerging domains such as entrepreneurship, have been criticised for subjectivity, small samples, debatable reliability and validity, and limited capacity for generalisation. The use of convenience sampling and other opportunistic sampling methods have been criticised by researchers for chronicling the life stories of successful entrepreneurs, women entrepreneurs, ethnic minority business

owners etc that can not be generalised. This has led to limited theory development in entrepreneurship.

#### **4.3.4. Research Philosophy Leading to Methodology**

In research, it is important to have a consistent philosophical and methodological approach underlying the choice and design of the research (Miles and Huberman, 1994; Guba and Lincoln, 1994). To this end, the philosophical consideration in this research is driven by the need to understand the nature and structure of the world (ontology) as well as the origins and construction of knowledge (epistemology). The ontological perspective is widely viewed as an explicit formal specification of how to represent the world and what is believed to exist through concepts, objects and other characteristics that are assumed to exist in specific study areas of interest to investigation (Wand and Weber 1993, Miles and Huberman 1994, Guba and Lincoln, 1994). In terms of the epistemological stance, the research is concerned with “the nature of human knowledge and understanding that can possibly be acquired through different types of inquiry and alternative methods of investigation” (Hirschheim et al 1995 p.20).

Paradigms provide “a cluster of beliefs and dictates which... influence what should be studied, how research should be done and how the results should be interpreted (Bryman and Bell, 2003: p.23). Based on the objective-subjective continuum, the approach taken in the first phase of the study departs from a time and human-free objective reality towards a more context-bound inter-subjective reality (Burrell and Morgan 1979, Kvale, 1996). This is concerned “with an understanding of the way in which the individual creates, modifies and interprets the world” (Burrell and Morgan, 1979 p3). This interpretative paradigm makes an assumption that understanding should be based on experiences of individuals and the process of setting up their business. As a result, the new venture creation process is considered as socially constructed product, that can be understood only from the point of view of individuals who are directly involved in its activities (Bryman and Bell, 2003). Consistent with the epistemological stance and ontological perspective discussed above, this first phase of this thesis attempts to understand experiences of the participants provide the study with useful insights that contribute to practical understanding of the entrepreneurial support.

#### **4.3.5. Implications for this Study**

An understanding of the source of knowledge and epistemology is key in research to help the researcher to systematically plan the conduct of the research project. The researcher's view



of the world and the research question determines the best methodological approach. The next section of this chapter looks at methodology and how this thesis approaches data collection.

## **4.4. Methodology**

### **4.4.1. Introduction to Methodology**

This section presents and discusses the methodological overview and issues relevant to this study. This is followed by the thesis research design which outlines the qualitative component of the study dominated by secondary data, interviews and observation. A discussion of the approach to the quantitative component of the study is also presented. Moreover, the details about the role of the researcher and ethical considerations are also discussed as important methodological issues in this research. The chapter concludes with a subsection which specifically discusses framework analysis as the technique used for analysing and interpreting qualitative data from the interviews. The approach to analysing quantitative data using cross tabulation and Sammon maps is also discussed in this chapter.

Research method and methodology are closely related words and sometimes used synonymously. They describe different levels of approaches to gaining knowledge. Methodology has a more philosophical meaning while method more specifically refers to the tools of gathering and analyzing data. Silverman (2000) defines 'methodology' as a general approach to answering research questions. He argues that methodology shapes which methods are used and how each method is used. In line with this definition, Mason (1996) suggests that the choice of method should reflect an overall research strategy /goal of the study. Research is a systematic way of solving social and scientific problems. Research methods provide an answer to 'how do I get the information to answer the research question' (Mason, 1996). Seale (1988, p.328) stated that methodology is concerned with:

    '...the theoretical, political and philosophical roots and implications of particular research methods or academic disciplines. Researchers may adopt particular methodological positions which establish how they go about studying a phenomenon'.

Methodology provides a general framework, context and guiding principles within which research is conducted. There is a wide variety of research methods and researchers invest time to evaluate available options (Blaxter et al, 1996) but choosing the best method is sometimes characterised by in confusion. Therefore ranking research approaches is not necessary, but building an understanding of the set of characteristics and features that

distinguish one research approach from another is. Entrepreneurship, like several other emerging disciplines, is characterised by uncertainty and nebulous definitions (Gartner, 1989) and is far from being fully methodologically developed (Bygrave, 1989).

#### **4.5. Methodology in Entrepreneurship Literature**

This section discusses the various research approaches that have been taken in the research of entrepreneurship and explore the benefits of such studies. In terms of methodological advancement, entrepreneurship is considered a relatively new field. Research in entrepreneurship and new business creation, according to Shane and Venkataraman (2000), lacks a conceptual framework that explains and predicts empirical phenomena which is critical for advancement in a field of social research if it is to have significance. This critique of the entrepreneurship studies shows an ingrained 'belief' in positivist research philosophy which requires theory for hypothesis generation, testing and prediction. Research in entrepreneurship supports Miles and Huberman, (1994) who believe that the qualitative-quantitative argument is unnecessary and should not be tied to epistemological preferences. This is supported by Cook and Riechardt (1979) and Miller and Fredericks (1991) as quoted in Miles and Huberman (1994). As noted in the literature review the 'lack' of a conceptual framework in the field of entrepreneurship has been linked to a general lack of a 'universal' definition (or common understanding) of enterprise, entrepreneur and entrepreneurship. The lack of definition led to researchers focusing on some aspect of entrepreneurship (e.g. enterprise or entrepreneur) and ignoring the bigger picture (i.e. entrepreneurship). Gartner, (1989b) and Bygrave and Hofer, (1991) highlight the difficulty in defining the terms entrepreneur, enterprise and entrepreneurship which in turn has caused challenges in methodological development. According to Shane and Venkataraman, (2000, p.217) entrepreneurship research is characterised by extended breadth and limited depth and this has 'become a label under which hodgepodge of research is housed'.

The multifaceted character of entrepreneurship has slowed down knowledge build up around definitions, models, concepts and theories. The study of entrepreneurship spans a wide range of fields including decision sciences, economics, management, and psychology (Amit et al., 1993). Low and MacMillan (1988) acknowledge that entrepreneurship is a multifaceted phenomenon that cuts across many disciplinary boundaries and the general lack of an agreed definition or empirical framework has had an impact on the rigour of research. In the past, studies have ranged from individual biographies of entrepreneurs to national studies of a country's entrepreneurial potential. The search for knowledge (understanding & explanation) of phenomena within entrepreneurship is critical for its progressive development as a field of study. Entrepreneurship research is moving towards gaining recognition by

developing methods of studying this phenomenon. Chandler and Lyon, (2001, p.102) indicate that:

'methodology is becoming an increasingly salient issue in entrepreneurship research because as the paradigm develops, researchers are beginning to move away from the use of simple descriptive statistics towards more sophisticated and complex research designs with correspondingly more opportunity for the development of interesting and useful entrepreneurial theory'.

Similar to other disciplines, entrepreneurship has not been immune to the positivism and interpretive (quantitative and qualitative) battle. The application of quantitative and qualitative research approaches in entrepreneurship is discussed in the next sections.

#### **4.5.1. The Use of Qualitative Research in Entrepreneurship**

This section reviews the use of qualitative research approach and its implications for this study. This study is a critical analysis of business support to nascent entrepreneurs and how it helps them to progress to new venture creation. The context of service provision in the BLSS is critical to interpreting the outcomes, outputs and evaluating if BLSS did achieve its aims. Qualitative Research tends to provide an understanding or description about phenomena. Mason (2004) states that 'qualitative research has an unrivalled capacity to illuminate how things work in particular contexts'. It is gaining increased usage and importance in the social sciences including entrepreneurship studies.

Patton (1990) argues that qualitative methods permit the researcher to study selected issues, cases, or events in depth and details without being constrained by preset categories of analysis, this is supported by Bryman (1988) who states that qualitative research seeks to describe and analyse the culture and behaviour of humans and their groups from their point of view. Neergaard and Ulhøi (2007) state that 'qualitative approaches help elucidate and explain complexity' and argue that it is a misconception that qualitative research is only appropriate for the exploratory stages in a study. Qualitative methods have the capacity to intimately connect context with explanation thus ensuring that research produces well-founded cross-contextual generalities rather than de-contextualised studies. In the context of the social scientist's armoury of data collection techniques, quantitative techniques such as participant observation are regarded as marginal (Bryman, 1988). As noted earlier, the definitions of new business creation, small business and entrepreneurship tend to overlap and are characterised by inseparability of the institution from the individual and vice versa. Anderson and Jack (2000) argue that the process of entrepreneurship draws from the

individual and the context, which means that an entrepreneur is inseparable from his/her enterprise and society.

Qualitative research can demonstrate a variety of perspectives on the objects and includes subjective and social meanings. Gartner (1985) highlights that research needs to recognize the variation and complexity of venture creation to build greater understanding of the field. Flick (2006, p14) notes that 'most phenomena can not be explained in isolation which is a result of its complexity in reality'. The study of entrepreneurship entails the study of exceptional situations and individuals. Gartner (2001) argues that entrepreneurship is a pre-theory paradigm which is like a jig-saw with missing pieces and there is need to find the pieces before analysing how they connect together. As a result of the 'missing pieces' seen a growing number of researchers carrying out qualitative studies (ethnographic longitudinal, phenomenological studies) to explore the nexus of underlying meanings and networks within entrepreneurship. Bygrave (1989) argues that entrepreneurship is one of the youngest paradigms in management sciences and begins with disjointed, discontinuous and non-linear events that can not be studied by methods of science. Studies by Bygrave (1989), Gartner (1985) and Bygrave and Hofer (1991) show that research into entrepreneurship should examine the process of new venture creation and not attempt to isolate the enterprise and entrepreneur.

Qualitative studies have also been used extensively in entrepreneur profiling, biographical studies that require a narrative approach to the entrepreneur giving their 'own story'. Examples of such studies include Hill and Wright, (2000), Mitchell (1997), Collins and Robertson (2003), Hytti (2005), and Fills (2007). Gartner (1989b) argues that entrepreneurship is a complex contextual event and outcome of many influences. Various governments across the world are implementing entrepreneurship and enterprise development policy to create employment, support urban renewal and regeneration and contribute towards regional and national economic growth. Studies on personality traits of the entrepreneur and their role in successful venture creation or performance have generally been inconclusive. van der Werf and Brush (1989) argue that this has been due to the varying definitions of samples and instruments used to measure traits. This has hampered the possibility of comparison and meta-analysis of the various studies conducted.

The argument advanced above is that qualitative research has a role to play in entrepreneurship research and this is justified on the back of challenges with definitions, the importance of context, the embeddedness, and challenges around the identification of large random samples for control and experiment studies. Bryman and Burgess (1994) state that

qualitative research tends to be associated with participant observation and semi or unstructured interviews. Gartner and Birley, (2002) argue that many substantive issues in entrepreneurship are rarely addressed and that many of the most important questions in entrepreneurship can only be asked through qualitative methods and approaches. This study uses a qualitative approach to build a context and develop hypothesis for testing in phase II of the study. The next section will discuss the use of the quantitative approach in entrepreneurship research.

#### **4.5.2. The Use of Quantitative Research in Entrepreneurship**

The quantitative element of this study follows the qualitative research. This section discusses quantitative research and how quantitative research methods have been applied in entrepreneurship studies. Quantitative or scientific research is the 'traditional' way of carrying out research. Bryman and Burgess (1994) state that quantitative research is typically taken to be exemplified by social surveys and by experimental investigations and their findings are considered facts and not opinions. Entrepreneurial research is expected to progress to explain causality unlike in the past where it has lacked clarity of purpose and failed to uncover causal relationships. Patton (1990) states that the advantage of quantitative research is that it 'measures the reaction of great many people to a limited set of questions'. Therefore results from quantitative studies can be generalised to wider populations. In recent years, research in entrepreneurship / new venture creation has progressed towards developing robust theories and research methodologies. Amit et al. (1993) note that research methodology is progressing to process oriented research and getting towards explaining behaviour, predict performance and provide normative advice. This assertion is supported by rigorous quantitative and econometric studies that have been carried out to prove the importance of entrepreneurship in regional and national economic development (e.g. Acs, 2006). Chandler and Lyon (2001) argue that: 'a strong methodological foundation is important to the progression of the field of entrepreneurship because if theorised relationships are not supported by testing both the substantive theory and the auxiliary measurement theory may be suspect'. Quantitative research methods seek to explain, show causality, and predict phenomena. These have been used to test various hypotheses related to linkages between training and self efficacy, the relationship between entrepreneurship and economic development, the role of self efficacy in firm performance and the traits and behaviours of entrepreneurs regressed against firm performance.

Quantitative and statistical research, by its very nature, requires fairly large (compared to qualitative studies) representative samples (to allow generalisation). Such studies are useful

to test causality and explain variables where an understanding of the phenomena already exists. In cases where the sample sizes are small researchers have tended to employ meta-analysis whereby results of several related studies are combined and analysed to improve validity. Miner and Raju (2004) employed meta-analysis to test the risk propensity differences between managers and entrepreneurs and between low and high growth entrepreneurs. The results of (Miner and Raju,2004) analysis rejected previous assertions that entrepreneurs and high growth entrepreneurs have a higher risk propensity than managers and low growth entrepreneurs. However, to date there has been limited theory development and Wortman (1987) states that due to the absence of a rigorous research foundation in entrepreneurship propositions and hypotheses are not germane at this time. Quantitative research is generally accepted on its fundamentals of objectivity and reliability though it is challenged for limited capacity to build an understanding (context) of phenomena within context. This study uses quantitative research to assess the impact of BLSS service variables vis-à-vis nascent entrepreneurial status.

#### **4.6. The Case for Mixed Methods Research in Entrepreneurship**

This section is a discussion of mixed method research and how it can foster research development in entrepreneurship. Mixed methods are being discussed and defended as the chosen research approach to this evaluative study. Subsequent sections present and justify the choice of the mixed methods research approach of study. This methodological position argument is not about either qualitative or quantitative, but qualitative and quantitative. In view of the research questions of this study it is critical to state, at this point, that this study does not view the qualitative –quantitative methods as mutually exclusive. Teddlie and Tashakkori (2006, p15) define mixed method research as: ‘research in which the investigator collects and analyses data, integrates the findings and draws inference using both qualitative and quantitative approaches or methods in a single study or program of inquiry’. Choosing the best suitable method does not lie solely with the actual data gathering techniques (for example interviews, questionnaires, or observations), but also with the underlying philosophical question about how the researcher views the world and social reality. Taking into account the complexities within the entrepreneurship research domain, the amount and type of data required to address the research objectives, both qualitative and quantitative methods will be used. In general there is no empirical or logical way to determine one best research approach. The choice of research approach is research and researcher specific. Leech and Onwuegbuzie (2009, p265) argue that: ‘...for years the choice has seemed to be dichotomous, one could choose either qualitative design or a qualitative design yet there is a third viable choice, that of mixed methods’.

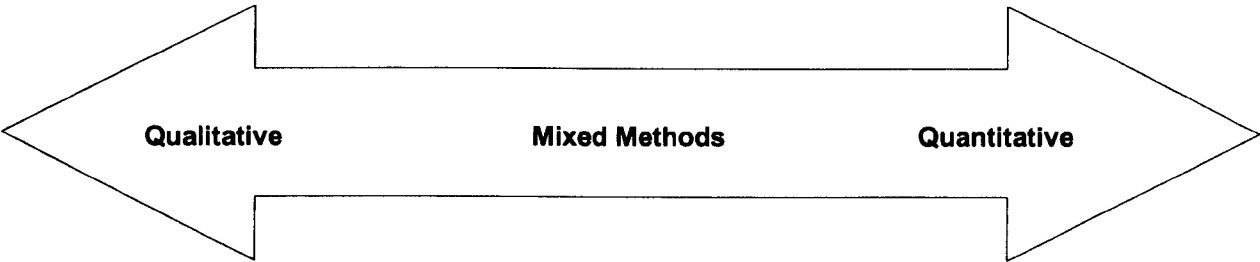
Both qualitative and quantitative methods, as outlined above, have strengths and weaknesses. Feyerabend (1975), among other reconcilers and anarchists, does not see the value of being either positivist or interpretivist and urges researchers to consider these frameworks as tools that can be combined to explore and explain the society. Johnson and Onwuegbuzie (2004) state that for more than a century purists of qualitative and quantitative research paradigms have engaged in ardent dispute. Qualitative and quantitative purists argue that these research paradigms can not and should not be combined. It is essential to clarify that both quantitative and qualitative data collection tools and analytical tools can be employed to qualify, measure, extract causality and predict variables in a positivist framework. Miles and Huberman (1994) argue that quantitative and qualitative research methods do complement.

Rossmann and Wilson (1984, 1991) as quoted in Miles and Huberman (1994) put forward three reasons why qualitative and quantitative data should be linked; (i) to enable confirmation or corroboration of each other via triangulation, (ii) to elaborate or develop analysis thus providing richer detail and lastly (iii) to initiate new lines of thinking through attention to surprises paradoxes (further insights). Bryman (1988) states that combining qualitative and quantitative methods can clarify the relationship between micro and macro levels in a study. Howe's analyses (Howe 1985, 1988) demonstrate that qualitative and quantitative data collection & analysis methods are 'hugely intertwined'. Cook and Reichardt (1979, p27) suggested that 'it is time to stop building walls between the methods and start building bridges'. Bryman (2006, pxxvi) states that mixed method research 'has become a short-hand way of expressing research that combines quantitative and qualitative approaches'. Generally the type of study, research questions, and research objectives determine the suitable framework that needs to be followed. The importance of qualitative and quantitative data in this study cannot be over emphasised.

The key components of a mixed methodological framework which include the approach to sampling, data collection methods, procedures and data analysis methods are discussed. Clarke (1999) states that in programme assessment studies both situationalists and pragmatists subscribe to the view that there is no one best method that will meet all evaluation needs. Multi-method designs, incorporating quantitative and qualitative approaches are recommended. Multi-criteria data gathering and analysis is suitable for research areas characterised by uncertainty. Interpretivism provides answers to descriptive inquiries and positivism provides answers to explanatory questions.

Quantification, or its absence, is the central issue in the quantitative – qualitative debate. In recent years, some writers (e.g. Bryman and Burgess, 1994) view qualitative and quantitative research as different ways of conducting social research which may be considered suitable for different kinds of research questions and are capable of being integrated. Berg, (2004) noted that quality refers to what, how, when, and where of a thing while quantitative research refers to the counts and measures of things. Researchers in entrepreneurship have embraced mixed method studies or anarchism as proposed by (Feyerabend, 1975). The goal of mixed methodology as stated by Johnson and Onwuegbuzie (2004), is not to replace qualitative and quantitative research but to draw from the strengths and minimise the weaknesses of single research approach studies. Figure 4.5 shows qualitative and quantitative as the two extreme between which mixed method lie.

**Figure 4-5 Research Approach Continuum**



Qualitative data may be presented alone or in combination with quantitative data. Patton (1990) states that ‘recent developments in evaluation profession have led to an increase in the use of multiple methods including combination of qualitative and quantitative data’. Farr and Brunetto, (2007) in their study of women entrepreneurship adopted a mixed methods framework characterised by in-depth interviews and structured questionnaire surveys. Theoretically mixed methodology helps minimise the weaknesses of either methodology thus producing a robust study which provides the research audience with both an understanding and explanation of phenomena. Santarelli and Vivarelli (2006) state that quantitative and qualitative research undertaken in the same study may provide mutually reinforcing results however, the possibility of discrepant findings also exists. Qualitative research and quantitative research can be conducted simultaneously in one study. Qualitative research can be a precursor to quantitative research in the formulation of research questions. On rare occasions qualitative research has been carried out as a follow-up to a quantitative study to get an in-depth understanding into the subject of research (Santarelli and Vivarelli, 2006). This study employs a qualitative, quantitative-qualitative sequence and is discussed in detail in later sections of this chapter.



The research debate over qualitative versus quantitative research is an extreme left and extreme right debate. In order to address the research objectives of this study, neither quantitative nor qualitative research would suffice adequately. Simon (1969) states that researchers should not let their discipline determine the choice of method, rather the method should fit the problem. Research in entrepreneurship has been diverse including qualitative, quantitative and mixed method studies attracting interest from 'fragments' within the domain. Research in entrepreneurship is spread across the continuum of methodology. The argument for mixed methods research in entrepreneurship is based on the general lack of definition and conceptual framework, embedded nature of subject (how to separate the dancer from the dance – Yeates 1956). The challenges and prospects for entrepreneurship research have been noted in the literature review and earlier sections of this chapter and it is within that context that McNeil and Chamman, (2005) and De Vaus, (2001) state that research in emerging domains should include quantitative and qualitative methods and should also use both primary and secondary surveys for data collection.

The use of multiple methods of investigation is sometimes referred to as triangulation and its origins are traceable to quantity surveying, mapping, navigation and military practice (Berg, 2004). Campbell (1956) and Campbell and Fiske (1959) quoted in Berg (2004) state that triangulation was first used in the social sciences as a metaphor describing a form of multiple operationalism or convergent validation. Denzin (1978, p.292) characterises triangulation as the use of multiple data collection technologies, multiple theories, multiple researchers, multiple methodologies, or combinations of these four categories of research activities. Bryant (2007) used mixed methodology to explore situational complexities of self regulation and decision heuristics and the quantitative approach to measure self regulation.

Pure scientific study of entrepreneurship has been constrained by the challenge of identifying study populations from which true random sampling can be employed (Neergaard and Uihøi, 2007) however, the progress made by PSED and GEM studies in creating large data sets is acknowledged. The challenge in most studies has been that the population of entrepreneurs can not be identified and is not sufficiently large to provide a basis for random sampling, quantitative analysis and comparison. Mixed methods are recommended where they can enhance validity, when a full description of the programme is required, and when the focus of research is on both outcomes and process (Clarke, 1999). The use of triangulation in mixed methodology studies can increase the reliability and construct validity. Fielding and Fielding (1986), quoted in (Berg, 2004) suggest that one of the most important features of triangulation is not the simple combination of different types of data but the attempt to relate

them so as to counteract the threats to validity identified in each. Miles and Huberman (1994) state that novice researchers are thus instructed in the use of research strategies composed of multiple methods in a single investigation. The argument for multiple research design strategies and theories is that it can yield greater scope and depth of understanding in an investigation.

The research of nascent entrepreneurship is an emerging phenomenon which requires being explored using qualitative methods that aid in the understanding of context that is critical for theory development and hypothesis testing. The construction of understanding and explanation of the nascent entrepreneur phenomena requires a mixed methodology approach validated via triangulation. Welter et al (2008) assert that it is still questionable whether the knowledge of nascent entrepreneurship has advanced far enough for this branch of research to turn whole-heartedly to theory-testing. From the discussions above, it is evident that there are some research questions that are better answered by qualitative methodology while some are more precisely addressed using the quantitative approach. As stated earlier this study adopts a mixed methodological approach that embrace both qualitative and quantitative research methods to explore and explain the phenomena of nascent entrepreneur's identification and development in the East Midlands. The justification for the adopted methodology lies with the question under study and the general research gaps that do exist in entrepreneurship research. However, the 'merging' of these two methodologies which vary in their ontology and axiology is challenging and requires great expertise in sequencing the collection and analysis of reliable and valid data. This study systematically combines both qualitative and quantitative research methods, the sequencing, data collection and analysis process is detailed in later sections of this chapter section.

#### **4.7. Overview of Thesis Research Approach**

This section provides overview of the research approach adopted in the study.

##### **4.7.1. Key Research Questions**

This study will examine how nascent entrepreneurs are identified, supported and progressed towards starting up a new business. The research questions to be addressed in achieving this objective will include:

- How does the entrepreneurial development support package meet the needs of the entrepreneurs?
- How is the BLSS structured and delivered in the region?
- Does the quality of BLC services accessed determine entrepreneurial status?
- Does the quantity of BLC services accessed determine entrepreneurial status?

- Do more people with entrepreneurial experience start new ventures?
- Do more entrepreneurs who complete start-up activities start-up new ventures?
- Do more entrepreneurs who are better educated start-up new ventures?
- Do more entrepreneurs who have work experience start-up new ventures?
- How does access to advice affect entrepreneurial status and activities completed?
- How does access to training affect entrepreneurial status and activities completed?
- How does access to financial support affect entrepreneurial status and activities completed?

Answers of these questions are a critical component for the development of an entrepreneurial support model.

The purpose of this section therefore, is to outline the mixed methods approach in the study, explain the approach, the data collection and analysis techniques and to provide justification for the choice as summarized later. The qualitative data is used for the purposes of hypothesis development. The first stage of the research entailed qualitative data collection and analysis of the context, background and delivery models of enterprise support in the five counties of the East Midlands. Interview guides were developed and used. This stage involved semi-structured interviews with a sample of Business Link Contractors who were providing training, advice and mentoring support course to discover their professional and personal experiences in the provision of the service. The sample represented one or more members of the four organisations providing business support in each county. This was critical to understand how the service was actually being delivered across the counties and relate to how it was intended to be delivered. This stage was key in developing hypothesis and understanding the context of reported outcomes. Each interview averaged about one hour and fifteen minutes (1.25 hours). The data from the interviews was recorded by notes which were then typed out for analysis. Recording was considered not suitable for most participants in view of the political pressures (elections and change of government in May 2010) and the operating environment.

The second phase of the study was a survey of a sample of nascent entrepreneurs supported on the BLSS programme. The questionnaire was a modified version of the Impact Study of Entrepreneurial Development Resources survey instrument (see appendix A15, p.A-27/30) by the Small Business Administration (United States of America). The main changes were to address the language and programme differences between the USA and UK. The selection of the research instrument was an elaborate process which entailed building an understanding the GEM and PSED processes, identifying their strengths and weaknesses.

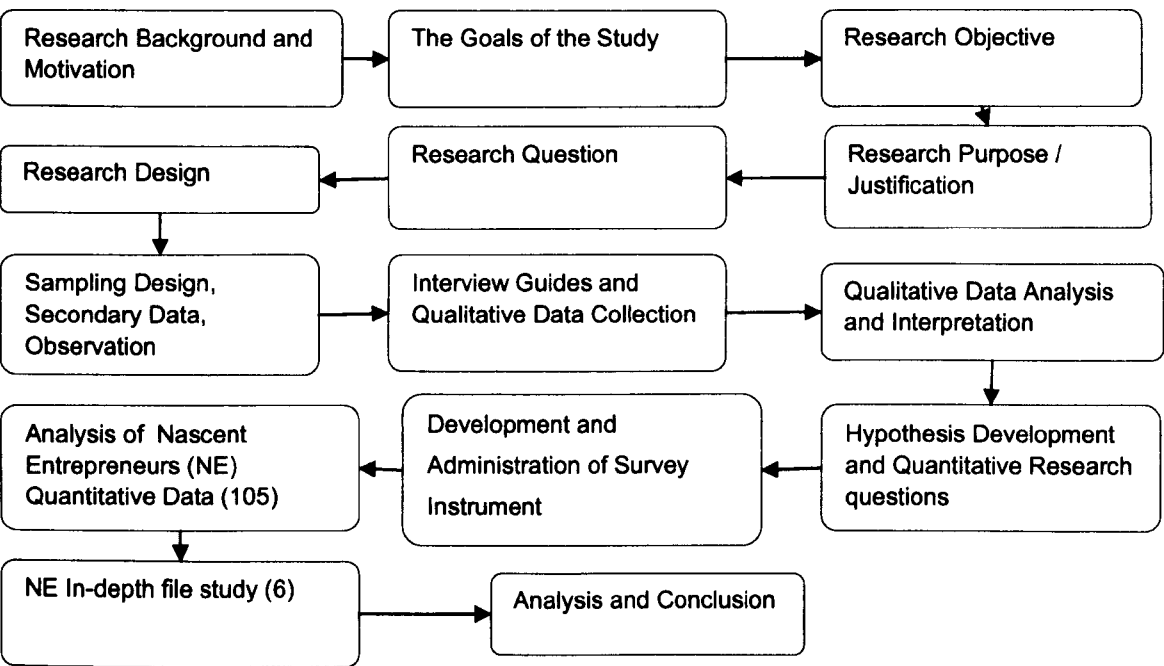
The GEM and PSED studies are longitudinal, regional and national and do cover aspects of the Entrepreneurial Development Process (EDP) but not how the EDP support is linked to. The Likert arrays in the questionnaire were designed to assess the importance of each aspect of support and how each aspect/quality could have helped in the new venture creation (see appendix A-15, p.A-21/26).

The case for analysing demographic differences is supported by the findings of previous studies (Honig, 2004; Delmar and Davidsson, 2000; and Davidsson and Honig, 2003). It is generally accepted in the developed world that gender has a significant effect upon new venture creation activities (Wagner 2004). There is also a notable difference of entrepreneurial activity between different age groups and according to Davidsson and Honig (2003) this could be explained by human capital factors such as income/savings, work experience and networks. The survey was emailed to a sample of 1,000 of potential research participants by email and followed up by both email and telephone. A total of 105 responses were received and the data analysed.

4.8. Research Audit Trail

The purpose of this section therefore, is to outline the mixed methods approach in the study, explain the approach, the data collection and analysis techniques and to provide justification for the choice as summarised in Figure 4.6.

Figure 4-6 Research Audit Trail



4.8.1. Thesis Research Design

The method of choice, in this study, is a mixed method research design which utilises both qualitative and quantitative approaches to data gathering and analysis and this is justified in the context of the study. The research questions in this study are both exploratory and confirmatory thus analysing the context of the business support environment in the East Midlands and exploring relationships that exist between support intervention and outcomes. The first objective of this study is to build a framework of the existing enterprise support structure and how it is interpreted at various levels (RDA, BLC and nascent entrepreneur). The personal / professional experiences of individuals involved in the delivery and receipt of BLSS are critical to developing hypothesis on enterprise support and new venture creation.

This study will systematically use both qualitative and quantitative data to bring out the context: meanings, themes, and symbols while quantitative phase will define relationships for a number of variables in entrepreneur support. This study demonstrates that research methods are selected to answer questions posed by the research. Miles and Huberman (1994); Mason (1996); and Bryman (2001) all agree that there is a wide range of research methods and the best approach is defined by the research problem. Entrepreneurship is an ill-defined multidimensional concept (Caree and Thurik, 1999) and its study calls for the use of both exploratory and confirmatory research approaches.

In developing a typology of mixed method research designs, Teddlie and Tashakkori (2006) and Leech and Onwuegbuzie (2009) used seven main criteria to create mixed research typologies of which the key ones are: number of methodological approaches used (mono / multi), type of implementation process (concurrent / sequential), priority of methodological approach (dominance, equal weighting, and function of the research approach for example triangulation, development, complementing, initiation). Leech and Onwuegbuzie (2009) further state that content analysis of the various available mixed research methods can be represented by three dimensions which are:

- level of mixing (partially mixed versus fully mixed);
- time orientation (concurrent versus sequential), and
- emphasis of approaches (equal status versus dominant status).

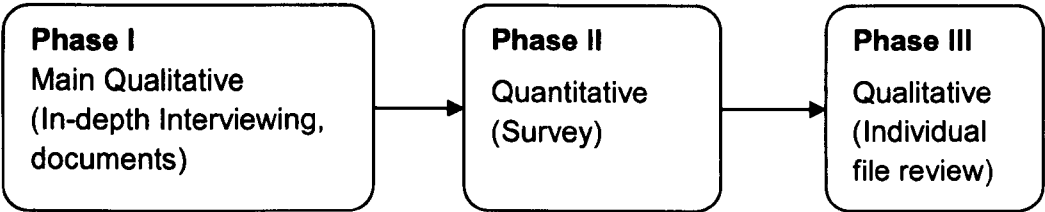
Level of mixing refers to whether the mixed research is partially mixed or fully mixed. Despite the fact that these designs lie on a continuum, they can still be classified as representing either partially mixed methods or fully mixed methods. Time orientation refers to whether the quantitative and qualitative phases of the research study occur at approximately the same point in time (i.e. concurrent) or whether these two components occur one after the other (i.e.



reported entrepreneurial status and more revealing in the quantitative data and analysis. This study, the sequence in which the research questions are addressed and feed into the next level is outlined in the next section.

Phase I qualitative research results feeds into the quantitative study thus allowing development of the research question into a quantifiable Phase II of the study. Phase III then provides qualitative in-depth individual stories to validate the quantitative data collected. There will be no method triangulation, but development of research, in view of the fact that each stage of the data collection is informed by the preceding stage therefore there is no independence of data sets. Data triangulation will be ‘vertical’ at the three levels of data collection and ‘horizontally’ in terms of method at entrepreneur level through the use of both observation and survey. Figure 4-8 summarises the data collection phases.

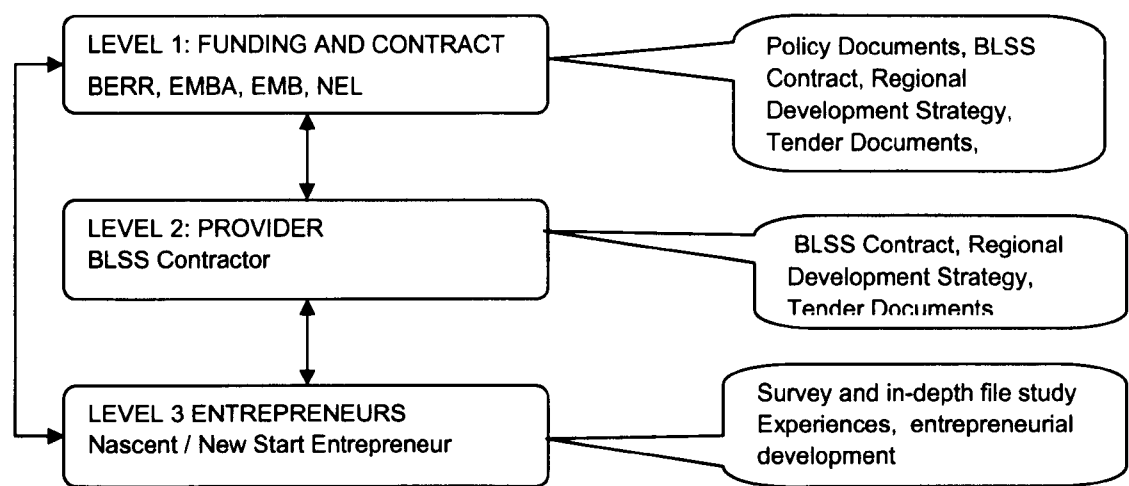
**Figure 4-8 Sequence of Data Collection**



**4.8.2. Levels of data collection and analysis**

As stated earlier this research is a multi-level study exploring and explaining the impact of BLSS entrepreneurship and new business development services on the progression of a nascent entrepreneur to new venture creation. Data was gathered at funding level (EMDA, EMB) provider level (Business Link Contractors), and recipient Level (Nascent Entrepreneurs). This is a methodologically sound way of understanding the context of entrepreneur support and the inherent variations of contract interpretation, and delivery. Figure 4-9 shows the levels / approach to data collection.

**Figure 4-9 Levels of Study**



The levels of data collection and analysis, sampling technique and format of the study are critical to allow for the development and testing of hypotheses on the impact of business link start-up service on entrepreneurship development. The study of policy documents (regional development and business birth rate strategy among others) and carrying out of interviews with policy makers, BLC and nascent entrepreneurs will provide the context and background to the study as well as an initial analysis of BLSS, the structure and how it is supposed to work. This study responds to the calls by Low and MacMillan, (1988), Cornelius et al., (2006), and Gartner et al. (2006), for the progression of entrepreneurial studies to be multilevel and multidimensional (individual, organisation, systems).

**4.8.3. Sampling Frame and Design**

The focus of this study is the East Midlands. The respondents are the individuals, who developed the BLSS contract, implemented programmes and spend public funds in the region. The participants in this study will be selected to cover different levels (funding and contract management, provider, and nascent entrepreneur). The participants for the second wave of qualitative data collection is a sample from the initial set of participants (nested sample) and the interviews will be in-depth follow-ups to the first wave qualitative and quantitative research. Table 4-1 summarises the sample sizes at the three level of research.

**Table 4-1 Sample Sizes**

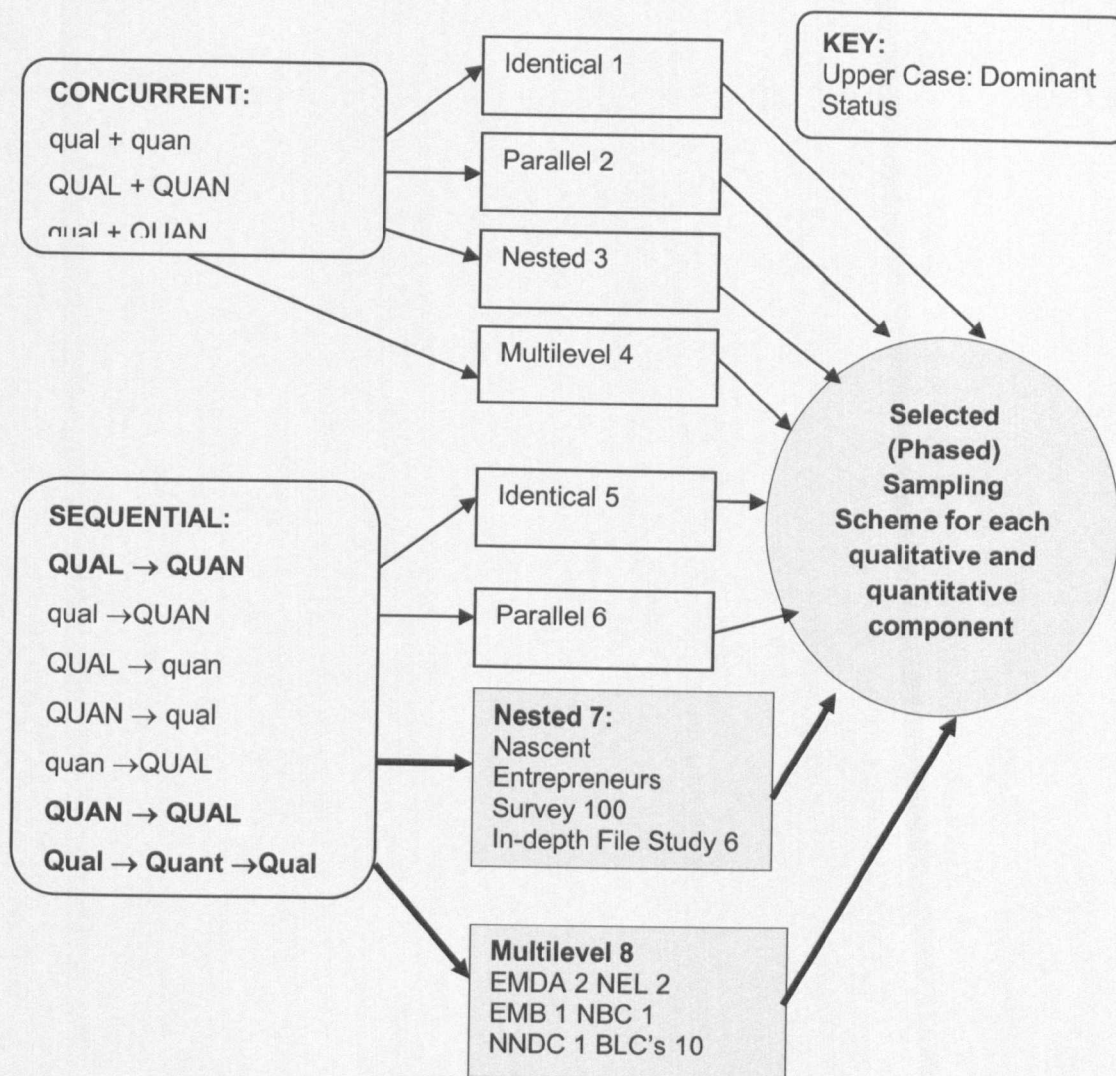
| Level            | Data Collection Method  | Number |
|------------------|---|--------|
| Policy / funding | Semi-structured Interviews  | 7      |
|                  | Policy documents, Business Birth Rate Strategy, Regional Economic |        |



|                                     |                                  |             |
|-------------------------------------|----------------------------------|-------------|
|                                     | Development strategy             |             |
| <b>BLC's</b>                        | In-depth interviews              | 10          |
|                                     | Observation Sessions             | 9           |
|                                     | Meeting records                  | (2007-2010) |
| <b>Nascent Entrepreneurs Survey</b> | Survey                           | 105         |
| <b>Nascent Entrepreneurs Survey</b> | Personal file study (Validation) | 6           |

The nascent entrepreneurs sample will be representative of gender, education backgrounds, age groups, and entrepreneurial state (Bhave, 1994). A selection of 105 nascent entrepreneurs for the survey is representative of the population and this is discussed in the sample analysis in Chapter 5. This is classified as theoretical sampling as it focuses on individuals who have accessed BLSS and are willing to participate in the study exploring some variables already noted in literature. The strength of this study is that the researcher had access to a regional database (RBSIS up to 31st March 2010) of individuals that have accessed BLSS support. The sample in this study will be stratified to resemble the distribution patterns in the population using main discriminators including age, education and nascent entrepreneurial status. The study compares nascent entrepreneurs in three main categories being pre-start, start-up and given up according to Aldrich and Wiedenmayer, (1993) recorded before and accessing BLSS support. Figure 4-10 shows the sampling map.

**Figure 4-10 Sample Map**



*Collins et al 2007 (2003, p.276) adapted.*

**Key:** QUAL = qualitative; quan = quantitative; + = concurrent; → = sequential. Capital letters denote high priority or weight; lowercase letters denote lower priority or weight.

The first two objectives of this study are closely linked and the findings of phase one feed into the data collection and analysis for phases II and III. This will ensure stage by stage refinement of data collection tool and methods. The survey instrument is a refined outcome of phase I and translates the themes into testable variables. The final in-depth interviews are individual stories of the three states of entrepreneurial development (start, still trying, given up).

#### 4.8.4. Qualitative Data Collection

The general purpose of qualitative research methods is to examine human behaviour in the social, cultural, and political contexts in which they occur; using such exploratory techniques

as interviews, historical methods, case studies, ethnography and other relatively personal techniques. In other words, the qualitative researcher is more (but not only) interested in the contents of an interviewee's speech than in the number of times (frequency) a particular comment is made (Salkind, 2006). Qualitative methods unlike quantitative methods that seek to quantify what is done but rather goes further to understand individuals' perceptions of the issue on ground. Bell (1987) reveals that they seek insight rather than statistical analysis. The study uses:

- semi-structured interviews
- written records and documents
- participant observation and non-participant observation

The qualitative component of this study includes both primary and secondary sources, drawn from desktop research, informal meetings, structured questionnaire survey, direct observations, and stake holders meetings. The analysis of policy documents, contracts and meeting records show how the entrepreneur support systems is structured. Secondary data analysis will yield data on the formal and administrative structure of the entrepreneurial support structure (ideal and reality). Documents were not taken to be an independent and objective record of events (e.g. previous Business Link Evaluation Reports). Clarke (1999) states that documents should be analysed taking into cognisance of the social and political context that they are embedded. Table 4-2 is a summary of the strengths and weaknesses of the qualitative methods applied in this study.

**Table 4-2 Strengths and Weaknesses of the Data Collection Methods**

| Source of Evidence      | Strengths   | Weaknesses   |
|-------------------------|---|--|
| Interviews              | <ul style="list-style-type: none"> <li>- focuses on case study topic (targeted);</li> <li>- provides perceived causal inferences (insightful);</li> <li>- face-to-face technique that allows the researcher an opportunity to interact with the participants;</li> <li>- can build rapport with respondents.</li> </ul> | <ul style="list-style-type: none"> <li>- participants may refuse personal contact;</li> <li>- interviewee tends to express what the interviewer wants to hear (reflexivity);</li> <li>- response bias;</li> <li>- high cost for large samples</li> </ul>   |
| Participant observation | <ul style="list-style-type: none"> <li>- covers events as they occur (reality);</li> <li>- covers event context (contextual);</li> <li>- face-to-face technique that allows the researcher an opportunity to interact with the</li> </ul>   | <ul style="list-style-type: none"> <li>- time- consuming;</li> <li>- costly if a large sample is involved;</li> <li>- participants may refuse personal contact;</li> <li>- might miss facts (selectivity);</li> <li>- observer's presence might</li> </ul> |

|   |  |  |
|---|--|--|
|   | participants;<br>- Insightful into personal behaviour.   | cause change (reflexivity).  |
| Written material<br>(Document analysis) | - repeated view (stable);<br>- exist prior to case study (unobtrusive);<br>- exact (e.g. names etc);<br>- broad coverage (extended time span). | - privacy might inhibit access;<br>- access may be blocked<br>- biased selectivity;<br>- may reflect author bias (reporting bias). |

*Yin (1994) adapted.*

By employing the qualitative and subjectivist approach, the strengths of the methods used to collect data enabled the researcher to collect views of the participants that contribute to theoretical understanding of entrepreneurial process, based on the experiences of the providers and recipients. Notwithstanding the perceived weaknesses of the data collection methods (Dietz, 2005; Yin, 1994), the main interest of this research is on getting the insights from participants involved in support. This also involves the researcher in participant observation during the data collection and sense-making processes. The study therefore built on the strengths and managed the weaknesses inherent in the adopted research approach.

There was a 100% acceptance from the intended participants and in most cases the researcher was given access to more interviews within the organisation. It was essential to ensure that all the programme managers at the four BLC's were interviewed and the contact managers at EMB and funders at EMDA, this was achieved. This is attributed to the initial /preliminary preparation which made the research project of general interest to the stakeholders in entrepreneur support by organising informal project briefings and attending regional business support events.

Interviews were recorded using notes and marginal notes. The marginal notes were used through out to raise follow up questions and or record body language (motion) and voice projection changes. Loss was minimised by 'transcribing' the interview notes soon after the interview and checking to close any arising gaps with the participants. Individual participants at funding, contract management and service provider level all had to be actively involved in BLSS. A guiding set of questions was used to shape the interview but the interviewer allowed the interviews to flow as conversations. The interviews developed with time as lessons were being learnt from earlier ones and the emerging themes from the early interviews were used to probe discussion in subsequent meetings. The first interviews coincided with the Solutions

for Business 2010-3 tendering process and one of the interviews had to be excluded from the analysis as it turned out to be a 'pitch' for the contract.

Triangulation of data collection methods within the studied levels was achieved by:

- collecting data from the semi-structured interviews with the research participants
- collecting data by direct observation of the individual participants receiving support;
- Collecting data from electronic sources such as websites.

**4.8.4.1. Semi structured Interviews**

Interviews are an essential component of this evaluative study in that they allow for the recording of perceptions, views, feelings, emotions of individuals involved in the Business Link Start-up Service programme. Patton (1990) states the purposes of qualitative interviewing in evaluation are to understand how people in a program view the program, learn their terminology and judgements and capture the complexities of their individual perceptions and experiences. Keats (2000) sees interviews as controlled interactions which use verbal exchange as the main method of asking questions. It is the basic tool used in qualitative research. Guba and Lincoln, (1981) states that interviews are the backbone of naturalistic research and evaluation. Key members at funding level, business link contractor and nascent entrepreneur were interviewed, for individual accounts of the entrepreneurs support system based on their experiences. The service providers accounts based on their experiences shows how they interact with nascent entrepreneurs and how they access / benefit from support. The nascent entrepreneurs' personal file study provided an individuals version of and position within the new venture creation process. Table 4-3 is a summary of the interview techniques relevant in this study:

**Table 4-3 Interview Techniques Applied**

|       | Interview techniques   |
|-------|--|
| i).   | Familiarisation with the interview questions to avoid constantly referring and reading from the prepared guide.  |
| ii).  | Considering cultural differences in introductions, greetings, meeting formalities, business etiquette, follow up etiquette. These are largely influenced by the cultural norms of the participants and the country or place where the interview takes place. |
| iii). | Preparing business cards for professional introductions and to facilitate follow-ups and future contacts.  |
| iv).  | Establishing rapport through developing trust and mutual respect.  |
| v).   | Projecting a professional and positive image of a good person engaged in a very important task.  |

|        |  |
|--------|--|
| vi).   | Speaking and acting in ways that are non-threatening to the interviewees.  |
| vii).  | Being honest and never making promises which cannot be fulfilled.  |
| viii). | Remaining neutral and being aware that the interviewee is also observing and may also want to ask questions.   |
| ix).   | Translating "Why" questions into "how" questions, as much as possible.<br>"Why" questions often result in justifications.<br>"How" questions often result in giving information that helps to describe events or processes.  |
| x).    | Probing and seeking elaboration on a specific topic; subjects or aspects. This can be achieved through: taking the last statement and turn it into a question; making a non-committal response such as simply nodding the head; asking for examples; writing down new questions as they pop into the mind. |
| xi).   | Writing down notes and recollections as soon as possible.  |
| xii).  | Using high quality sound recording devices to record the interviews  |
| xiii). | Thanking participants at the end of the interview and afterwards by letter or email  |

*Marschan-Piekkari and Welch (2004. p198)*

As noted earlier there was continuous learning and the scope and depth of interviews was progressive from the first interview to the very last one.

#### **4.8.4.2. Direct Observation**

Direct observation is a reconnaissance type survey. Mason (2002) describes it as utilising a research setting in order to observe and experience at first hand, a range of dimensions in and of the settings. The approach was also used in observing different stakeholders/committee meetings/training and advisory sessions etc throughout the study. Noting that observations are not systematic but highly spontaneous, marginal notes of the training sessions or advice sessions were taken to complement the audio recordings. Table 4-4 shows a summary of the adopted methods.

**Table 4-4 Types of Participant Observation Applied**

| <b>Type of Observation</b>                  | <b>Characteristics</b>   |
|---|--|
| Passive Participation<br>(Advisor Sessions) | Researcher on-site or at the scene of action but no interaction or active engagement in the activities of the setting.     |
| Active Participation<br>(Training Sessions) | Researcher was actively engaged in the activities of the settings.<br>Researcher engaged with participants in the setting. |

Both passive and active participation were used but applied to different aspects of the data collection. The advisor sessions were non-participant observations where by the researcher

was taking notes and following the discussion noting the flow of conversation, questions and expectations. The training sessions were participant observations and the researcher was taking marginal notes and at the same time participating in group tasks.

#### **4.8.5. Quantitative Data Collection**

Quantitative research involves the collection of facts and the study of the relationships between one set of facts and another. Bell (1987) states quantitative research measures, using scientific techniques that are likely to produce quantified and, if possible, generalisable conclusions. The statistical programme for social sciences (SPSS) is the key tool in data manipulation and analysis.

##### **4.8.5.1. Context of hypotheses development**

The aim of this project is to critically examine the existing entrepreneurship development support in the East Midlands between 2007-10. The regional business support system was used to extract data on nascent entrepreneurs who had accessed training and education, mentoring and Pathways finance. This section will outline the variables of this study and develop the hypotheses to be tested in this thesis. This thesis has adopted a mixed methods approach (qualitative and quantitative) and the hypothesis development will relate to the quantitative aspects of the study.

Literature has over the years explored and sought explanations for the constraints that entrepreneurs and small business face to start a business and sustain growth respectively. A study by Bridge et al (1998) ranked the factors that constrain entrepreneurship and small business growth to include; (i) lack of capital, (ii) lack of demand and poor market knowledge, (iii) the impact of government regulation and (iv) individual constraints made up of education and work experience. However, Bridge et al (1998) in a report that ranked constraints to small business growth noted the need to exercise caution when interpreting the impact of individual constraints on business start-up or growth. They argue that the interaction of a nexus of factors may impede growth rather than one individual constraint. The study looked at the following variables as proxies of prior knowledge to explain nascent entrepreneurial status; work experience, education and training, and initial capital. Preliminary data on the variables is developed from the emerging themes from the qualitative research. In cases where RBSIS had incomplete profiling records in the system and these were completed and validated using primary survey data.

#### **4.8.5.2. Key themes on start-up support**

The list below outlines the key questions and themes that are key to satisfactory fulfilment of the research project and these are captured in the survey instrument.

- **Generic service provision– is it creating gaps (exclusion)**
  - Demographical distribution of clients
  - Needs
- **BLSS Contract**
  - Measures and outputs
  - Outcomes
  - Driving behaviours
- **Human capital Theory vs.**
  - Training
  - Advice
  - Funding
- **Entrepreneur development**
  - Pre-start
  - Start
  - Failed / given up

#### **4.8.5.3. Questionnaire Survey**

Clarke (1999) states that questionnaires are the most frequently used tools for collecting primary data. They are practical where a large number of people need to be reached and also where biographical data of age, sex, income and educational background among others is relevant. Questionnaires will be utilised for telephone and face-to-face surveys. Ulasi, et al, (2009); Tonglet, et al, (2004a) and Tonglet, et al, (2004) all agree that the questionnaire is a key method of elucidating vital information in research. The questionnaire was refined through testing with a group of students enrolled for an entrepreneurship module (MKT1003) at the University of Northampton. The information captured was hypothetical but helped in refining the instrument and ensuring that it could be analysed. The questionnaire contained predetermined, standardised carefully worded questions and distributed to the BLSS clients.

### **4.9. Data Analysis**

Qualitative and quantitative data is analysed separately in Chapter 5 and 6. The themes from the qualitative phase are used in the development of hypothesis for the quantitative phase. Table 4-5 summarises the analysis framework.



**Table 4-5 Data Analysis**

| Phase 1 (Qualitative)  | Phase 2 (Quantitative)   | Phase 3 (Qualitative)  | Phase 4 (Conclusion)             |
|--|--|--|----------------------------------|
| Secondary Data analysis<br>Key words /text search<br>Framework thematic analysis (Case – Theme)<br>Qualitative Comparative analysis by level | Descriptive analyses<br>Profile analysis – human capital factors<br>Cross tabulation | Individual profile study of individuals– (start, failed, still trying) | Conclusion and Model Development |
|  |  |  |                                  |

Table 4-5 shows how qualitative and quantitative data analysis was sequenced in the study. Emerging themes from the secondary study and main qualitative research stage was used to refine research instruments for the quantitative study with nascent entrepreneurs. (Miles and Huberman, 1994) argue that sequencing that begins with unstructured qualitative study is one of the most common approaches to mixing methods. The themes and context captured during this stage was critical for shaping the direction and progress of the research project.

#### **4.9.1.1. Framework Analysis**

Framework thematic analysis is the main method of analysis for the qualitative data. Framework analysis, according to Ritchie and Spencer (1994) involves five stages being:

- familiarisation,
- identifying a thematic framework,
- indexing,
- charting and mapping, and
- Interpretation.

To gain familiarity with the data the researcher read the transcripts and studied observational notes over and over again to ensure immersion in the data. This helps the researcher to list key ideas and recurrent themes. In identifying a thematic framework the researcher engaged in a process of abstraction and conceptualisation noting down the recurrent emerging themes, key issues, and concepts. This then created a thematic framework within which the material could be 'sifted and sorted' drawing upon priori issues, emergent issues and analytical themes emerging from recurrence of particular views or experiences. Ritchie and Spencer (1994) note that this is a highly logical and intuitive process and involves making judgments about meaning, relevance and importance of issues and the implicit connections of ideas.

Indexing entailed the application of the thematic framework to all data and the index references are noted on the margins of each transcript which links back to the original source. This stage entails numerous judgements on meaning and significance of data. Charting was about the portrayal of the whole data set. Charts were drawn up for each theme research approach selected being thematic-case framework analysis. Separate charts are done for various other key themes and subthemes. Anonymity of respondents will be guaranteed in the charting by using codes to represent their identity and only the researcher and the supervisory team can identify the respondents.

#### **4.9.1.2. Statistical Analysis**

The quantitative part of the research is analysed statistically using Webropol. Demographical data (age, gender, educational background, and entrepreneurial status) was analysed to inform the study on the sample of participants. The main part of analysis is cross tabulation analysis whereby the factors of support (training, advice, mentoring, funding) are linked with the outcome in terms of entrepreneurial status (start, fail). The intermediating human capital on education, previous work experience and previous entrepreneurship experience are acknowledged in the modelling.

#### **4.10. Validity**

Validity is an essential criterion for measuring research output quality and is concerned with whether researchers see what they think they see (Flick, 1996). Validity in qualitative researchers notes the researcher's constructions in relation to the constructions of those being studied and how far this position is communicated. Every effort was made in this research to ensure that the validity and credibility of this piece of work was sustained through development of research question. In this study, validation was achieved through:

- Independent Checks: Consulting with the supervisory team for verification of data interpretation and results. This was essential to validate the researcher's interpretation and supervisors' expertise in UK research and business support.
- Other Sources of data: Facts from the data collected were compared to existing literature.
- Interview Transcripts: The interviews with entrepreneurs were always transcribed immediately after the interview to ensure nothing was lost. Where notes are taken during the interviews they were transformed into interview transcripts.
- Five participants' checks were carried out in which, excerpts were sent to five participants to check for accuracy in transcripts and excerpts.

#### **4.11. Ethical Considerations**

The researcher conformed to the Ethics Policy of the University of Northampton and the research will be conducted ethically and encourage ethical behaviour in those involved in this study. "Ethics" in research refers to application of a code of conduct or expected social norm of behaviour while conducting the research (Cavana et al, 2001). Denscombe, (2003) agrees with the need for conformity to ethical standards in research. The research upheld voluntary participation, consent from participants, confidentiality of data, and respect for privacy.

#### **4.12. Evaluation of the Study**

According to Flick (2006) assessing the quality of qualitative research continues to attract attention. The traditional measures of research quality are validity, reliability and objectivity and these have worked well in scientific and experimental research. The emergence and growth of qualitative research has stirred debate on whether these traditional measures are relevant to this line of inquiry (Seale, 1998). Aims 'whether or not' or 'to what extent' the required outcomes have been achieved at the end of a research (Blaikie, 2000) are used to evaluate this study. Moore (2005) sees objectives as defining the 'specific' things that have to be done during the research with a view of achieving the research aims. The study aims and objectives will be used as the main basis upon which the study will be evaluated. According to Bloom (1965) research aims to provide knowledge (transparent, valid and reliable), comprehension, application, analysis, synthesis and evaluation.

#### **4.13. Conclusion**

In summation, this chapter has given a discussion of epistemology, its implications on methodology and research methods (data gathering and analysis approach). The relationship/ link of these aspects can be viewed as starting with the philosophy (epistemology) to define the broad principles (methodology) which in turn influences strategy of research (research methods). The research approach adopted in this study is outlined and justified in relation to the research question, subject, and context of research. The next chapter will discuss finding from the qualitative component of this study (phase 1).

# **CHAPTER 5: QUALITATIVE DATA COLLECTION AND ANALYSIS (Level I and II)**

## **5.1. Introduction and Chapter Plan**

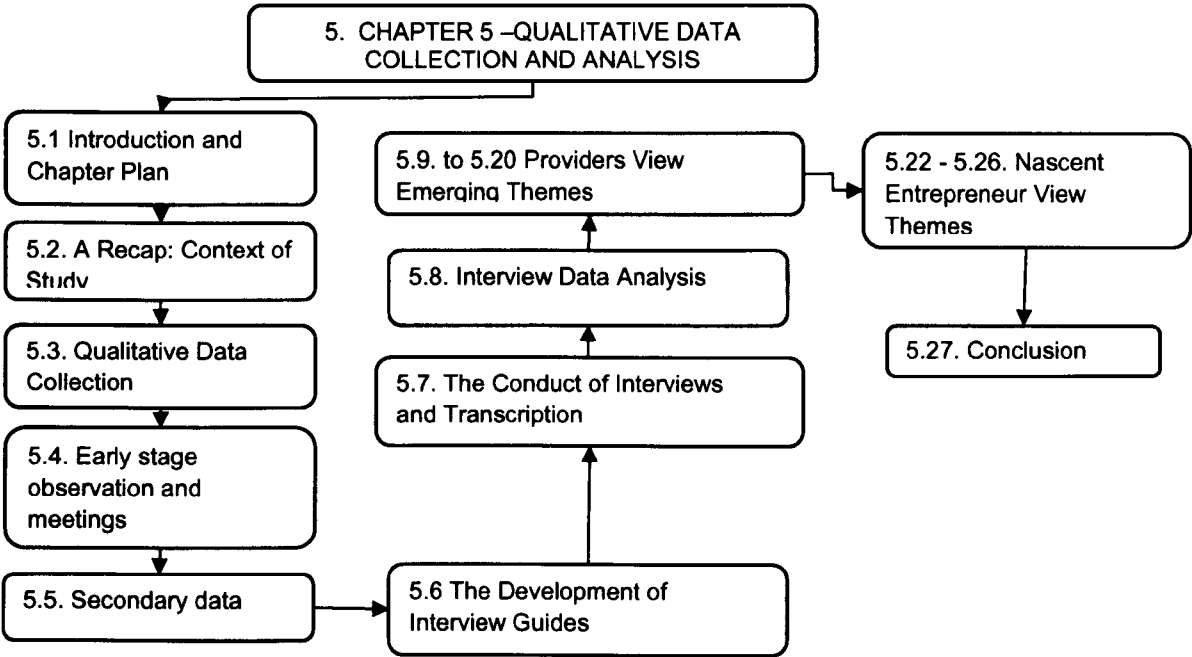
The aim of this chapter is to outline the themes that emerged in the discussion of the BLSS and relate them back to entrepreneurship literature on new venture creation activities, progress (stages) and human capital factors. The central point of the discussion is to establish if progress, human capital factors and new venture creation activities were at the centre of the BLSS delivery. The key themes on the delivery of BLSS support in the East Midlands and the context of the BLSS are discussed in this chapter. Entrepreneurship theory states the importance of supporting individuals from one stage to another (pre-start, nascent to start-up) and the need to complete new venture creation activities (Aldrich and Martinez 2001; Carter et al 1996). The progression of individuals was not built-in to the Regional Development Agency measures and evaluation of the start-up programme. The data analysis shows that progress, completion of activities or building of human capital factors were not measured under the BLSS programme as it existed between 2007-10. The lack of progressive measure could be one of the explanations behind the dysfunction of the BLSS delivery which is central to the discussion in this chapter.

In early sections, the chapter discusses the context of the qualitative study, its qualitative data collection process, its analysis and its findings. The qualitative study employed multiple methods to collect data from contract managers and contractors including

- Study of documents including strategic plans, annual reports, the BLSS contract, and the regional business birth rate strategy,
- Observation of training and mentoring sessions and participation in entrepreneurship events, exhibitions and meetings,
- Semi-structured in-depth interviews, and Individual file study (a detailed review of individual nascent entrepreneur files on the Regional Business Support Information System and manual files)

The chapter plan is shown in Figure 5-1.

**Figure 5-1 Chapter Five Layout**



The chapter discusses the execution of the qualitative research and also presents a recap of the context of study. The chapter also details the early stage observations and meetings, the approach to the use of policy and strategy documents, the development of the interview guides, the conduct of interviews and analysis of interview data. The emergent themes and theoretical or empirical links are discussed and the development of propositions that lead into the quantitative analysis is described. This chapter brings an operational review of the BLSS delivery.

**5.2. A Recap: Context of Study**

This section gives a recap of context that is critical for the analysis of qualitative data. The East Midlands is England’s fourth largest region in terms of area, at around 15,607 sq km. It is England’s second smallest region in terms of population at around 4.3 million. However, it has one of the fastest population growth rates, at 5.1 per cent. Almost 30 per cent of the population live in rural areas compared to 19 per cent in England as a whole. The East Midlands is made up of five counties: Derbyshire, Leicestershire, Lincolnshire and Rutland, Nottinghamshire, and Northamptonshire. Unlike most other regions, the East Midlands region has no regional capital. Nottingham is one of England's nine core cities but is small relative to most of the others, and Derby, Leicester, Lincoln, Northampton, Chesterfield and Mansfield are also large population centres.

The region’s economy is valued at £65 billion, of which approximately a third (£20 billion) is from the public sector, i.e. local authorities, health, and further and higher education. The

economic and social mix in the East Midlands is as diverse as its geography. GVA per head for the region relatively low at 91.5 per cent of the UK average, and significant disparities exist within the region: GVA per head is less than 80% of the UK average in Nottinghamshire, East Derbyshire and Lincolnshire, but above UK average in Northamptonshire. Nine percent (9%) of people living in the East Midlands region at the time of the 2001 Census were from ethnic minority backgrounds. Of the eight other English regions, only London and the West Midlands had a higher proportion of non-White British residents. There are some 260,000 registered businesses in the region, with a predominance of small to medium-sized enterprises (SMEs). Manufacturing represents 23 per cent of output and 19 per cent of employment.

UK regions are compared against common Key Performance Indicators (KPIs). The following KPIs are used:

- Productivity: Gross Value Added (GVA) per hour indices;
- Employment: Employment rates, showing proportion of working age population in work;
- Skills: Percentage of working age population with basic, intermediate and higher level skills attainments;
- Innovation: Business Gross Domestic Expenditure on R&D as a proportion of GVA; and
- Enterprise: Number of VAT start-ups per 10,000 resident adults.

Table 5-1 shows the key indicators of economic performance for the East Midlands against the England average.

**Table 5-1 Economic Performance Indicators**

| Indicator   | East Midlands  | England                              |
|---|--|--------------------------------------|
| GVA per hour indices (UK +100, 2005)  | 96.8   | 101.4                                |
| Employment Rates – working age  | 76.3   | 74.3                                 |
| Percentage of working age with basic, intermediated and higher skills attainments | No qual:13.9<br>NVQ1: 16.1<br>NVQ2: 18.8<br>NVQ3: 18.7<br>NVQ4+ 24.8 | 13.6<br>14.3<br>18.4<br>17.8<br>27.1 |
| Gross Domestic Expenditure on R & D as proportion of GVA (2004)                   | 1.8  | 1.9                                  |
| Number of VAT registrations per 1,000 resident adults (2006)                      | 35   | 39                                   |

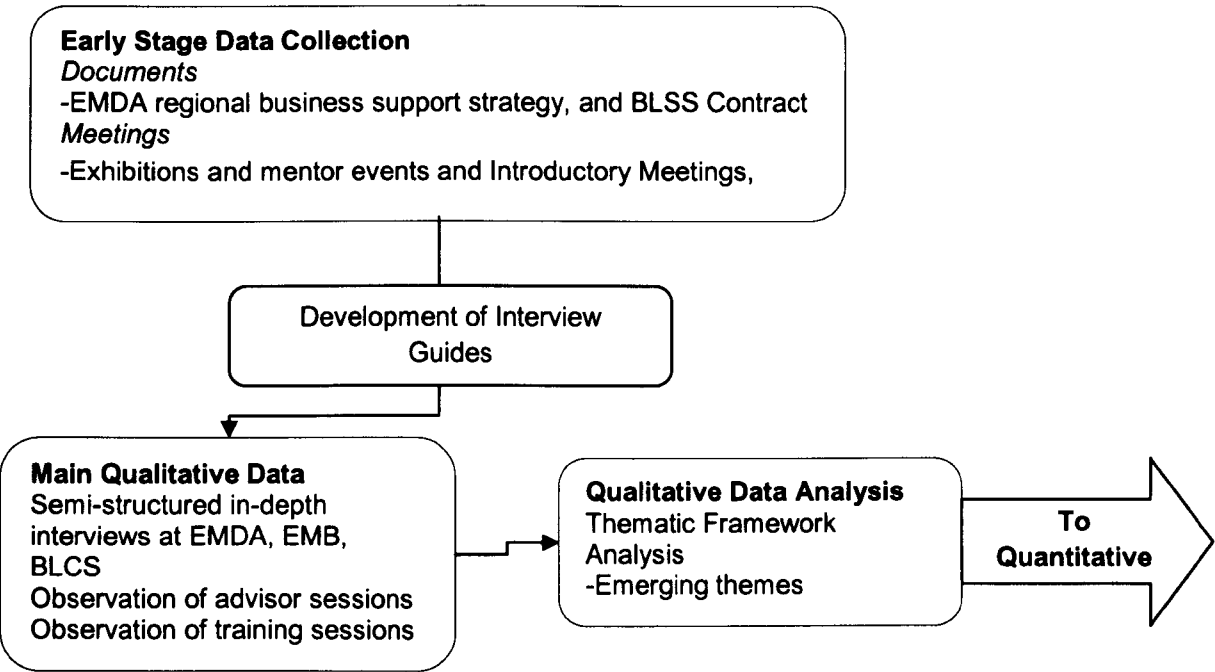
Key: NVQ – National Vocational Qualification, VAT – Value added Tax, R & D- Research and Development

The GVA is an important government statistic and the importance of GVA will be highlighted in the analysis of qualitative data. New businesses created by BLSS make part of the reported GVA figures.

**5.3. Qualitative Data Collection**

The sequence of qualitative data collection began with early stage data collection (documents, meetings and observations) which helped to build the context and develop interview guides for the subsequent phase. The sequence of qualitative data collection in this chapter is illustrated in Figure 5-2.

**Figure 5-2 Sequence of Qualitative Data**



As noted earlier, the first phase of this study was an interpretive study which was designed to explore themes around the delivery of BLSS in the East Midlands. The early stage of data collection entailed the use of documents and informative, but unstructured, discussion meetings. These were central to the development of the interview guides.

**5.4. Early stage observations and meetings**

The aims and objective of the preliminary data gathering initiatives were to allow the researcher to understand the structure, context and delivery of the BLSS product across the region prior to formal fully fledged qualitative data collection. Data collection for this thesis started in May 2008. A series of formal and informal meetings with stakeholders in the business support framework in the East Midlands were organised. From a researcher

perspective, attending business support and SME exhibitions across the region was critical in building a broader appreciation of support in the region, not just the BLSS. The BLSS contract under review covered the period between 01 April 2007 to 31st March 2010. This study ran between May 2008 until April 2011, giving the researcher an opportunity to carry out continuous monitoring and post-programme evaluation.

The researcher attended training sessions, mentoring events, sat in advisor (one to one) meetings and held meetings with various office holders within the ranks of the BLSS delivery system. As stated earlier, the initial interactions were mainly exploratory, unstructured, and helped the researcher to familiarise herself with the BLSS framework, the contract and county models of delivery in the East Midlands as outlined in chapter 1. These early unstructured interactions also allowed the researcher to get EMDA and EMB approval. EMDA and EMB were the business support custodians and contract managers of the BLSS programme and without their cooperation the project would have been rendered impossible. Access to the RBSIS which contained confidential records was essential.

**Table 5-2 Initial Meetings and Observations**

| <b>Initial Meetings</b>   | <b>Dates</b>  |
|---|---|
| FPU, UoN BLSS team and Equal  | May 2008<br>June 2008<br>July 2008<br>August 2008<br>September 2008<br>October 2008<br>November 2008<br>December 2008 |
| EMDA and EMB introductions  | June 2008   |
| Wikipreneur and Copie / eWorld (involvement and understanding of current research activity) | June 2008   |
| Exhibitions (Federation of Small Business, Small Business Exhibitions)                      | June 2008, November 2009  |
| Training sessions   | February 2010<br>March 2010<br>March 2010   |
| Rachel Mallows (Organisation): Women  | June 2008   |



| Initial Meetings   | Dates                              |
|--|------------------------------------|
| business support   |                                    |
| Helping Women Link with Business:<br>Exhibition at Kettering Conference Centre | June 2008                          |
| Developing an Enterprise Culture:<br>Northamptonshire collaboration            | July 2008                          |
| Attending mentors event  | June 2008                          |
| Sit in advisor sessions  | April 2009<br>May 2009<br>May 2008 |
| Various informal meetings (EMDA, EMB,<br>BLCs)                                 | May 2008 – October 2009            |
| Unleashing Enterprise: Enterprise Week<br>Events                               | November 2008, 2009 and 2010       |

## 5.5. Secondary Data Study

At strategic priority level, EMDA focused its investment in employment, learning and skills, enterprise and business support, innovation, energy and resources, environmental protection, and land and development. According to the EMDA corporate plan (2008-11), EMDA prioritised enterprise and business support to *'provide a coherent and co-ordinated suite of programmes in line with the Business Support Simplification Programme (BSSP), and Government's Enterprise Strategy, Unlocking the UK's Talent'*. Cordella et al (2008) noted that in retrospect, the simplification of business support might have been driven by two key aspects inherent in government policy throughout the 1992-2008 period: to lower costs in the public sector and the general belief that private sector companies tend to be more efficient. The Government anticipated (as noted under government contracts) that competition (competitive tendering) in business support would boost efficiency and effectiveness of management and operations in the public services. John and Ward (2005) stated that public choice theorists and conservative philosophers like Hayek have greatly influenced the tone of debate about the appropriate role of the state from the late 1970s onward. One of the central government's arguments was that lack of competition in the public sector led to inefficient resource use, improper allocation of scarce resources among competing end users, and slower economic growth (dynamic inefficiency). The business support programme was aimed at increasing regional growth by promoting enterprise and increasing productivity through business investment (EMDA Corporate Plan 2008-11).

According to the EMDA corporate plan (updated 2009), on average just over £70million was invested in business support annually between 2007 and 2010. This amount was split into individual and business support, cluster business support, R & D and Innovation, and other forms of business support. In support of this view EMDA crafted a regional business birth strategy.

The EMDA regional business birth strategy was approved and funded by the UK Government through the Department of Business, Enterprise and Regulatory Reform (BERR now BIS). The aim was to create over 2,500 surviving enterprises every year between 2007 and 2010. EMDA consistently reported above target performance in terms of new business creation with 2,594 and 2,718 businesses created during the 2007-8 and 2008-09 periods respectively. In July 2010 EMB reported to have supported 100,000 through the BLSS new start-up support and BL established team<sup>iii</sup>. The number of new businesses created under business support programmes prior to BLSS (2007-2010) was 2,382 as reported over the 2006-7 period. As discussed in Chapter 2, the business link contractors were awarded tenders on the basis of their expected ability to deliver the contract effectively and achieving targets. The core measures for the BLSS contract (2007-10) included:

- Number of people trained
- Number of businesses surviving
- Number of business started

There were additional outputs that were not part of the initial contract reporting which include penetration, GVA, customer satisfaction (average rating 91%) and intensive assistance (1.40%).

## **5.6. The Development of Interview Guides**

The themes emerging from the preliminary meetings included:

- The delivery structure (EMDA, EMB, contractors and strategic partners)
- Pressure to meet targets and outcomes
- The delay in BLSS contract 'delivery'
- The extended role of intermediaries and networks as sources of referrals
- Marketing restrictions and their impact on targets
- The need for start-up finance (Pathways®, Sir Thomas White Business and Education Loans, and Princes Trust)<sup>iv</sup>
- The economic recession and redundancy pushing people into self employment

At the onset of the preliminary data collection, the definition of entrepreneur, enterprise and how to identify a high growth start-up emerged in the early meetings at EMDA and county level. The emerging issues around whether to keep on spreading every business support

penny to everyone or identifying a few 'high growth business' and support them was highlighted in the first meeting at EMDA (with L<sup>1</sup>P<sup>3</sup>, the Gazelles and High Growth Businesses support). The decision on fund allocation depends on the objectives of a business support programme whether it is a strictly an economic or social agenda. The distinction (social or economic agenda) is rare as the support programmes form part of the eco-social development agenda. Without a distinction the question becomes 'how then does one measure the success and failure'? The development of the thesis was all based on the preliminary research as these efforts further highlighted themes that would not have been obvious with just reading the contract and report figures. The themes from the preliminary data were followed up by building them into the interview guides (see appendix A1, p.A1/2)

The interview guides contained open ended questions and followed up on the initial themes from the preliminary data collection interpretation of government business support policy. They were designed to identify structure of support, performance, and perspectives. The guides were customised to suit participants. The main questions in the interview guide included:

- What is your interpretation of Government policy on entrepreneurial support?
- How is the support structured in the East Midlands?
- How do you identify nascent entrepreneurs?
- What do nascent entrepreneurs need (in terms of support) to start a business?
- Would you please explain the ideal journey of a nascent entrepreneur's inquiry?
- At what point do you record a new business as a start-up?
- How do you deliver support to allow progression?
- Are you able to identify those who start and why they manage to do so?
- What do you consider as the main reason for many people failing to start?
- How do you measure performance?
- Is there any room for improvement in the support structure, type of structure and mode of delivery?

The guides were used to ensure that the essential aspects of the BLSS project were addressed in the interview. However, the flow of discussion varied from one interview to the other.

## **5.7. The Conduct of Interviews and transcription**

This section will describe how the interview data was gathered and recorded. The main qualitative data was gathered through formal in-depth semi-structured interviews conducted with representatives of organisations in the BLSS provision structures, and observation of

advisor and training sessions. Thematic framework analysis was used in analysing qualitative data by categorising interview data within emerging themes of analysis. The formal interviews were conducted between November 2009 and February 2010. The timeline of the interviews is worth noting in view of the activities and changes that were occurring in the business support system. November and December were tender preparation months and January and February 2010 were post tender days and the 'emotions' of the participants fluctuated over these periods. In November and December 2009 there was pressure and anxiety to complete and submit tenders. In January and February 2010 the emotions changed to frustrations about the tender outcomes for all but one BLC. The interviews took longer to get to a level of open discussion (starting at either pitching or venting frustration). The researcher's awareness of the issues was important during the interview and also in the analysis of data. The interview data shows a progressive development in terms of probing, following on themes and cross-checking of facts. Themes emerging from the meetings, session observations and interview data were wide ranging. Table 5-3 shows the interview timeline.

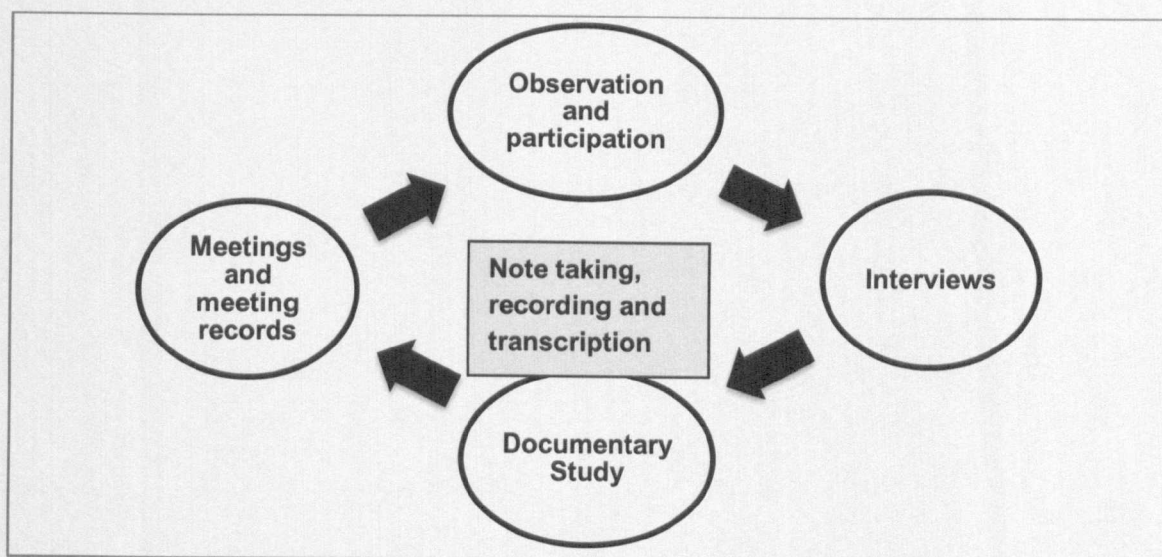
**Table 5-3 Interview Schedule**

| Participant | Organisation     | Date          |
|-------------|------------------|---------------|
| 1. AS       | L <sup>1</sup>   | November 2009 |
| 2. CM       | L <sup>2</sup>   | November 2009 |
| 3. PR       | L <sup>2</sup>   | December 2009 |
| 4. CA       | BLC <sup>1</sup> | December 2009 |
| 5. JW       | BLC <sup>1</sup> | December 2009 |
| 6. NT       | L <sup>2</sup>   | December 2009 |
| 7. JH       | BLC <sup>1</sup> | December 2009 |
| 8. PA       | BLC <sup>1</sup> | December 2009 |
| 9. SE       | BLC <sup>1</sup> | December 2009 |
| 10. JO      | L <sup>1</sup>   | January 2010  |
| 11. AM      | BLC <sup>3</sup> | January 2010  |
| 12. RT      | BLC <sup>2</sup> | December 2009 |
| 13. DM      | L <sup>2</sup>   | February 2010 |
| 14. SD      | BLC <sup>1</sup> | February 2010 |
| 15. WI      | BLC <sup>1</sup> | January 2010  |
| 16. SN      | BLC <sup>4</sup> | February 2010 |
| 17. CLF     | L <sup>1</sup>   | March 2011    |

## 5.8. Interview Data Analysis

As stated earlier, the collection of qualitative data was mainly through in-depth interviews at two levels, contract manager and contractors (EMDA, EMB and BLCs). These were complemented by observations of advisor and training sessions over the period of data collection. The main objective of the qualitative study was to build a better understanding of the BLSS programme, its products and delivery as seen by the sponsors, contract managers and service providers. Interview guides with open ended questions (discussed in section 5.5) were used to guide further exploration of the themes from early stage research. Figure 5-3 shows the cyclical nature of the qualitative data process.

**Figure 5-3 Main Qualitative Data process flow**



Interview notes were taken and scripted on the day of interview and uploaded onto Webropol® for text mining. Webropol was used for the initial summarisation of data. However, the main analysis was involved reading the scripts many times, highlighting, charting and use of colour coded post it notes. The data was sorted into a range of categories and as outlined below (table 5-4). All of the interview transcripts were read many times by the researcher and coded within a simultaneously emerging framework. The category headings were generated from the data and under these most of the data were accounted for. A good category system is said to have 'emerged' from the data (Atkinson, 1992; Feldman, 1994; Altheide, 1996; Phillips and Hardy, 2002; Ezzy, 2002). The study identified thirteen (13) broad themes around the BLSS product, its role, delivery, and the future of business support. The themes included: the role and services of Business Link, the contract and numbers, customer satisfaction, self evaluation, progression, nascent entrepreneurs needs, branding and marketing, bureaucracy, and anxiety about the future.



The themes, sub-themes and interactions between them are discussed in detail as the chapter progresses. Data from the multi-level interviews were analysed and linked (contrasted and discussed in context) to the documentary description of BLSS. This analysis is a review of the ideal vs. reality.

Webropol Text Mining performs qualitative text analysis by identifying relevant information from open ended question answers, grouping them. The answers were compared against the manual analysis data. The initial analysis of key words emerging from the interview and observation data is summarised in Figure 5-4.

**Figure 5-4 Webropol Theme Mention Count**

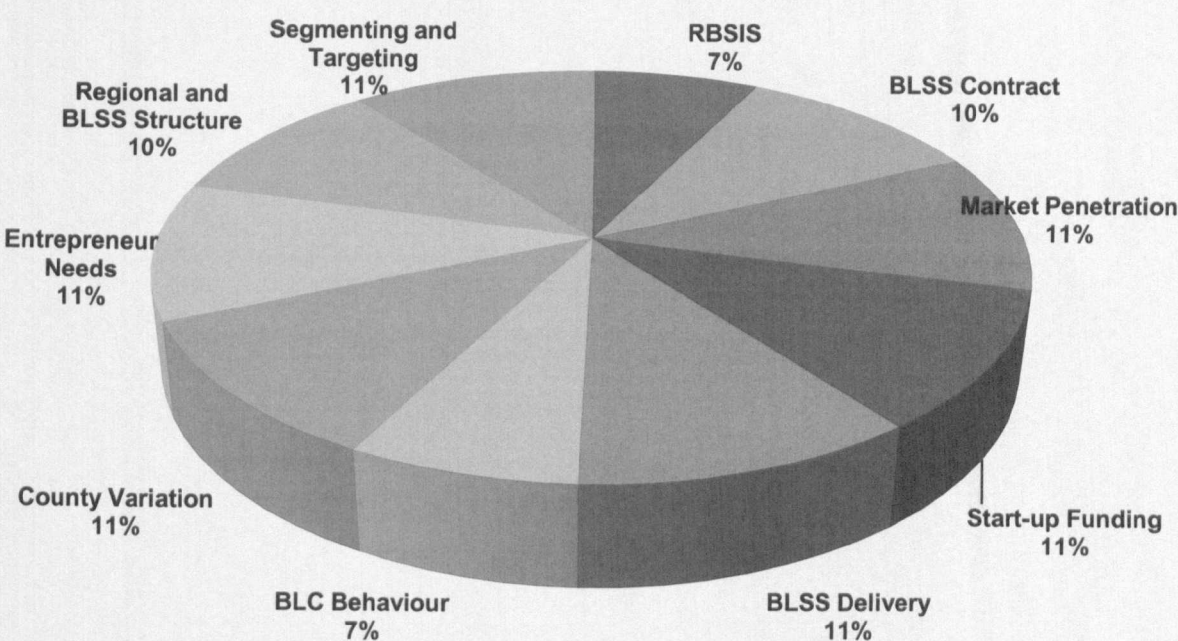


Table 5-4 shows a Webropol summary of key word groups around the delivery of BLSS in the East Midlands region market segmentation and targeting, RBSIS, the BLSS contract, market penetration, start-up finance, behaviour of BLCs, county variations, entrepreneur needs, BLSS delivery, and the regional structure of the BLSS. The proportion of mentions in this analysis does not indicate importance but is just an indication of the content of interview discussions. Figure 5-4 and Table 5-5 show the Webropol word analysis and manual thematic grouping respectively. The key theme groups emerging are similar and this demonstrates the complementary nature of the Webropol and manual analysis used in word grouping and theme analysis. The word associations were taken within their context for grouping purposes.

**Table 5-4 Grouping and Word Association Groups (Webropol Analysis)**

| Broad Theme | Word Association |
|-------------|------------------|
|-------------|------------------|

| <b>Group</b>                  |  |
|-------------------------------|--|
| <b>Contract</b>               | Start, Measure, EMB, Flexibility, Output, Outputs, Numbers, Number, Trained, Mentored, Survive, Outcome, Survival, EMDA                        |
| <b>Funding</b>                | Benefit, Pathways, Capital, Credit, Crunch, Start-up, Funding, Money, Loan   |
| <b>Penetration</b>            | Marketing, Local, Fliers, Adverts, Advert, Hours, Access   |
| <b>Delivery</b>               | Area, County, Access, Minority, Consortium, Number, Help, Assist, Progress, Follow Up, Identify, High Growth, Network, Intermediary, Lifestyle |
| <b>Behaviour</b>              | Chasing, Incentive, Interest, Frustration,   |
| <b>Structure</b>              | Partnerships, Intermediaries, Referrals, Job Centre, JCP, Church   |
| <b>Target</b>                 | Men, Women, Ethnicity, Ethnic Minorities,  |
| <b>Needs</b>                  | Business Skills, Funding, Tax And Legal, Confidence, Hand Holding, Coaching, mentoring   |
| <b>County variation</b>       | Northampton, Leicester, Nottingham, Derby, Lincolnshire and Rutland, Local, Knowledge, Network, Partners, Enhanced, Local                      |
| <b>Solutions for Business</b> | Portfolio, Change, Regional, Nottingham, NBV, Solutions for business, Tender   |
| <b>RBSIS</b>                  | Data, Profile, Town, County, Location, Analysis  |

Webropol was used as a preliminary tool to get an initial feel of the data classes and groupings.

The emerging themes are discussed in turn presenting quotations to build a coherent non-repetitive story of the BLSS 2007-10. The themes on history, regional marketing, numbers, and contract delays were sources of pressure that pushed the contractors not to focus on supporting nascent entrepreneurs but meeting targets. Despite the lack of start-up finance, the BLSS product was well designed with well defined intervention levels. The delivery pressures led to number chasing and destroyed the filtering role of the hub and also limited the capacity of contractors to focus on individual progression. New venture creation activities, acquisition of human capital factors and progress were not at the centre of the deliver even though the BLSS intervention levels were designed to allow progressive support. The themes that emerged out of a manual iterative thematic analysis include:

- The BL History (Section 5.9)
- The Regional Programme (Section 5.10)
- BLSS Local Networks and Partnerships (Section 5.11)

- Regional Business Support Information Systems (Section 5.12)
- Business Link Start-up Service (Section 5.13)
- BLSS Contract 2007-10 (Section 5.14)
- Important BLSS Numbers (Section 5.15)
- Filtering and Targeting (Section 5.16)
- Nascent Entrepreneurs Needs (Section 5.17)
- Funding (Section 5.18)
- Progression (Section 5.19)
- Self Evaluation and Customer Satisfaction (Section 5.20)
- The Future (Section 5.21)

The next sections will discuss these themes linking them back to literature and research context. The interview participants' names are coded for data privacy and participant confidentiality (see appendix A3 and A4, pA-4/5).

## **The Providers View**

### **5.9. The BL History (All Pain, No Gain)**

#### **5.9.1. Change (Sub-theme 1)**

This section discusses aspects of the BL brand that had an impact on the delivery of the BLSS (2007-10). The BLSS contract was part of the reformed business support system which the region had adopted a year before (April, 2007) the start of this research project (May, 2008). As a recap, the BLSS emerged out of the Government business simplification programme and the contract under review ran from 1 April 2007 to 31 March 2010. The focus of business support in the years before simplification was around the regeneration of mining and industrial towns. The 2007-10 BLSS programme was enacted during a phase of economic growth. The history of the Business Link programme (Section 2.6 and 2.7) and BLSS (Section 2.8, 2.9 and 2.10) has been discussed in detail in Chapter 2. This section illuminates the picture painted in chapter 2 by providing the BLSS service providers perspective to the underlying context and discussion of BL history. The participant quotations discussed are illustrative and not the only evidence in this study.

The context of business support in the UK and East Midlands are noted to have changed from what it was in early 1990s to what the BLSS objectives were in 2007-10. In the early 1990s, it was the regions that were most affected by decline in the steel and mining sectors that needed government funded support to regenerate. L<sup>1</sup>P<sup>1</sup> noted that:



*'Lots of people were out of work and there was a limited culture for self employment through-out the 1990s. There was a strong culture of people working for a few large companies. Corby was mainly affected. There was a strong element about how to help more and more people to start a business to reduce unemployment....'*

Therefore employment creation and area regeneration through self employment were central to business support in the 1980-90s. During this period, it was more about the regeneration and employment creation at the end of the steel and mining economic wave. In contrast the 2007-10 business simplification was created during a time when the economy was growing and unemployment was low.

Pre-2006 and the simplification agenda, business start up support was fragmented and the business support investment was concluded to be ineffective and fragmented as discussed earlier. L<sup>1</sup>P<sup>1</sup> states that:

*'...a lot of money was thrown around at as many people as possible. A person with a business idea would be whisked into an office and provided with enterprise coaching. People could trial a business for 13 weeks without losing their benefits. I have spent a lot of time trying to get as many people in and there was no shortage of money'.*

The introduction of the new BL format was a significant change in the structure of support. There was devolution from central government to RDAs. The interview data confirms the shift of delivery and control from the central government to RDAs. L<sup>1</sup>P<sup>2</sup> notes that: *'Historically, it wasn't quite the same with the Business Link brand that is there today after the simplification and devolution to RDAs. The responsibility now lies with the RDA'*. This quote illustrates that the business support framework (responsibilities and accountabilities) and environment had changed. The pressure to meet targets had escalated.

This view about the new framework as a major change was echoed at all levels. L<sup>1</sup>P<sup>1</sup> states that: *'I was delivering start-up support, the context in which we working has changed since I started work 15years ago'*. The change was significant. In support of the change view BLC<sup>1</sup>P<sup>2</sup> stated that:

*'Let's start when we got the contract. The contract was a turning point in the county. Previously business support was very local and provided amateurish support using professionals with very limited resources and support only*

*provided to a few people. The 2006 tender was for cohesive support for business support.*

When the Labour Government announced changes that were geared at simplification and improving efficiency there were fears of cost cutting. L<sup>1</sup>P<sup>1</sup> noted that '*...the government was thinking to maybe just leave it for the private sector and hope the good companies would start and survive while the bad fail*'. The simplification agenda did not go as far as leaving it all for the private sector and Government continued to fund business support through the rebranded Business Link. It is essential to state that the change from old system to new system was a major shift in delivery framework, responsibilities, and accountabilities. The significant factor about this change was the devolution of delivery to RDAs and then on to private enterprise support agencies. As the analysis progresses more evidence will be presented below on the challenges of setting up the new system (BLSS 2007-10).

### **5.9.2. Brand Image and Perception (Sub-theme 2)**

The brand image of the BLSS was a largely hampered by the negative perception held by contractors' and beneficiaries of the old BL products, and also the constrained approach to regional marketing. The importance of a positive brand image and reputation is acknowledged in the main disciplines of business, mainly marketing (brand value) and accounting (goodwill). According to Kotler (2001, p188) a brand is a 'seller's promise to deliver a specific set of features, benefits and services consistent to the buyers...' A negative image or bad reputation takes a long time to shake off. The introduction of BLSS came in the wake of a negative BL brand perception.

BLC<sup>1</sup>P<sup>1</sup> states that in '*... in 2007 BL was described as the poison brand and as we tried to introduce a new service it was difficult*'. This is supported by BCL<sup>1</sup>P<sup>3</sup> who echoed that '*Business Link was a tarnished product and the service delivery hadn't been consistent*. While there was a general agreement that the BL product had changed, contractors acknowledged the brand was tarnished. Despite the new format, new name and new people the brand reputation was negative. L<sup>1</sup>P<sup>3</sup> stated that '*there are still cynical minds out there... for example some people say that I won't buy a Skoda, They complain, I had my grant turned down etc but now the model is different and there are new people*'. The brand image and reputation of BL was one of the first and toughest hurdles that the BLCs faced in market penetration and the delivery of the refreshed BLSS.

The national and regional marketing of the brand with local delivery was a challenge for its contractors. All levels had issues with the marketing constraints of the BL brand. L<sup>2</sup>P<sup>1</sup> *'there were lots of limitations on what can be done and how it should be communicated to the market in view of the further reforms of entrepreneur support'*. A BERR commissioned study on the BL perceptions (2009) confirmed that Perceptions of Business Link were negative and driven by a combination of direct experience and word of mouth about the BL brand and its offer. It is in view of these challenges that BLCs found it hard to reach the market. Marketing, promotion, product and brand awareness were therefore important elements to the success of the BLSS 2007-10. There was a strong need to reposition the brand and improve individual client's service experience. In order to achieve this marketing and communications of the new service was standardised and centralised. The challenges, successes and failures of the BLSS branding repositioning and marketing are discussed in the next section. This then leads to the theme around regional marketing and decision making.

#### **5.10. The Regional Programme (Bureaucracy and Marketing)**

This section discusses subthemes related to BLSS as a regional programme including bureaucracy, marketing restrictions, the Hub and inter-BLC cooperation. The shift from the pre-2007 Business Link delivery system was in search of simplification, optimisation and efficiency in the delivery of state funded business support. As noted earlier, the delivery of business support was transitioning from being a national and government delivered programme to a regional and RDA – private sector delivered programme. The regional programme was defined within the national framework, and this was intended to bring greater coherence and standardisation. EMDA was at the apex of the regional service provision. EMB was at the next level down as the contract manager and the BLCs at the bottom reporting to both EMB and EMDA. In the East Midlands BLSS structure, the counties' activities were expected to be synchronised, working towards a common goal. The regional IT platform, RBSIS, was implemented to support the regional effort. EMDA, as the RDA for the East Midlands, was the custodian of business support funding and therefore all claims and project proposals were approved by EMDA.

Bureaucracy within the BLSS structures was a major constraint to customisation of service delivery. The BLSS tender process was handled by EMDA. EMDA was also the custodian of the regional development funds (Government, ESF and ERDF) and all projects needed to be approved at that level. The approval process in the region was considered to be long winded and this had an impact on the BLSS. L<sup>2</sup>P<sup>2</sup> states that:

*'there is need to work on the appraisal and reduce decision making delays, full project application process to EMDA takes ages, sometimes up to a year under review. Some projects are delayed 4-5 months'.*

Decision making within the enterprise promotion framework was lengthy. One participant L<sup>2</sup>P<sup>1</sup>, stated that: *'there is bureaucracy in the middle, decisions are harder to come by and as SLP we are not sure yet where it's going next year... It is all hazy at the moment'.*

Although the BLSS delivery contracts were awarded in April 2007, they were not signed until September 2007. Contractors were not to begin activity until the contracts were formally signed. Between April and September 2007 the 'mainstream' Business Link teams were responsible for start-up support. However, records of activity were either not kept or lost. The implications of this delay are discussed in later sections. Further to these delays RBSIS went live after the contract had started and therefore has limited records of activity between April and September/October 2007. The contract delays affected the responsiveness of BLCs to deliver support and meet targets. The delays on the BLC contract had ripple effect on BLC delivery and performance as they had to chase targets. The L<sup>2</sup>P<sup>1</sup> statement shows that the BLSS successor, Solutions for Business, was likely to face the same challenges as its predecessor. The implications on the contract and performance and Solutions for Business are discussed in later sections of this chapter.

Marketing and communications for the BLSS launch were key to its success considering the negative branding and image of the BL brand. The marketing approach for the BLSS was regional. All BLSS marketing and communication was contracted out to the region's marketing agency. BLC<sup>1</sup>P<sup>1</sup> stated that *'from the onset that there was no money for local marketing and all was going to be done centrally'.* The BLCs got no allocation for local marketing. BLC<sup>2</sup>P<sup>1</sup> note that *'when the contract started, it was stated that we (BLC) should not do any marketing'.* The intended benefits of the regional approach were administrative, operational and financial. This meant that the cost of marketing and communications in the region was centralised for economies of scale and efficiency. However, there were immediate challenges with the marketing of the BL and across the region and the market penetration remained low across counties (2-7%). In addition to the contract delays, the regional marketing approach did not work and was blamed by BLCs for low awareness and poor first year performance. The marketing agency was assessed on a market penetration figure which could be met without supporting BLCs to meet their training, mentoring and new business started output/outcome targets. BLC<sup>2</sup>P<sup>1</sup>, *'poor marketing...contributed to low performance in year one. The marketing agency has not had any impact at all to the*

*Business Link*'. The frustrations around marketing were highlighted at all meetings with BLC representatives. As a result of these challenges the marketing rules had to be adjusted within the first year of the contract. BLC<sup>1</sup>P<sup>3</sup> states that:

*'...at the beginning of the contract we would not do any local marketing but it didn't last before we realised it was not sustainable... to be quite honest 3-4 months into the contract we started having a local telephone number advertised in order to get clients'.*

This shift in marketing approach was one of the key factors contributing to second year BLC contract performance. There were strict rules in the branding of business link and EMDA. In order to bring changes to the marketing approach, L<sup>1</sup>P<sup>2</sup> notes that EMDA *'had to break a few wrists and we (East Midlands) now have for example Avon /BL dual branded workshops'*. The BLCs were later (in year 2 and 3) able to openly conduct local marketing. L<sup>1</sup>P<sup>2</sup> states that BLCs could conduct *'local marketing and communication after sending the marketing material for approval by EMB and EMDA'*. In order to gain a deeper understanding of the marketing constraints, this will be examined further in the context of the contract, outputs, and outcomes in later sections.

The Regional Hub (RH) was specified at the centre of the BLSS delivery model. The BLSS process flow (Figure 2-13, 2-14 and 2-15) defined that all inquiries, queries and communications were directed to the Hub. BLC<sup>1</sup>P<sup>1</sup> states that, *'the Hub was a disaster in the first 12 months. From the start, one website, one telephone number and a single email address was not going to work'*. The change to use local county numbers instead of the regional Hub 0845 number on local marketing material demonstrates that regional marketing was a key delivery issue. The change to local numbers was gradual but unauthorised. L<sup>2</sup>P<sup>1</sup> stated that *'marketing remained an issue and needed to be sorted out for local flexibility'*. Since EMDA was in charge of BLSS in the region, flexibility at EMDA level did help significantly in BLSS delivery. The programme was set within the national business support framework; the challenge for EMDA was regional flexibility. L<sup>1</sup>P<sup>2</sup> note that:

*'It has not been easy to push flexibility in view of what the government dictate'*  
*but with time 'some degree of regional flexibility was introduced, but there is more need to tailor to local area/ county requirements'.*

EMDA, EMB and BLCs shared the view that the challenges relating to marketing and penetration improved as the contract progressed through its three year life.

Cooperation among BLCs was important coordination of service delivery within the regional structure. The simplification was intended to boost collaboration and cooperation. However, within the BLSS regional structure there were additional operational dynamics stifling cooperation. While there were regular stakeholder meetings within the BLSS structures and accordingly three of the four contractors co-operated. One of the contractors was accused of not cooperating. This is supported by BLC<sup>3</sup>P<sup>1</sup> comment that BLC<sup>2</sup> was:

*'...not interested in working together. The character of BLC<sup>2</sup>P<sup>1</sup> limits how much we can try. There has been lots of frustration. BLC<sup>2</sup> employed lots of people from the RDA and BLC<sup>2</sup>P<sup>1</sup> has always been negative'.*

This is supported by BLC<sup>1</sup>P<sup>2</sup> further states that: *'BLC<sup>2</sup> think that they have a 'God-given' right to provide business support, but they are not performing as well as the other providers'.* Challenges with regional cooperation, relationships and trust had not been anticipated and could not have been addressed in the contract. This is confirmed by BLC<sup>2</sup>P<sup>1</sup> who stated that: *'we are not a University, We are not a private sector company, we are an agency set up not for profit'.* The statement shows the tensions and the 'wanting to be different' approach by one of the BLCs. As an extension to BLCs cooperation challenges, there was a lack of trust between the strategic and contract manager level vs. BLCs. This was also linked to the close links between the RDA and BLC<sup>2</sup>. The BLCs relationships with EMB (the contract manager) evolved over time, the initial challenges were all about lack of trust and with time the relationship began to work better. The relationship sub-theme will be developed further under the contract.

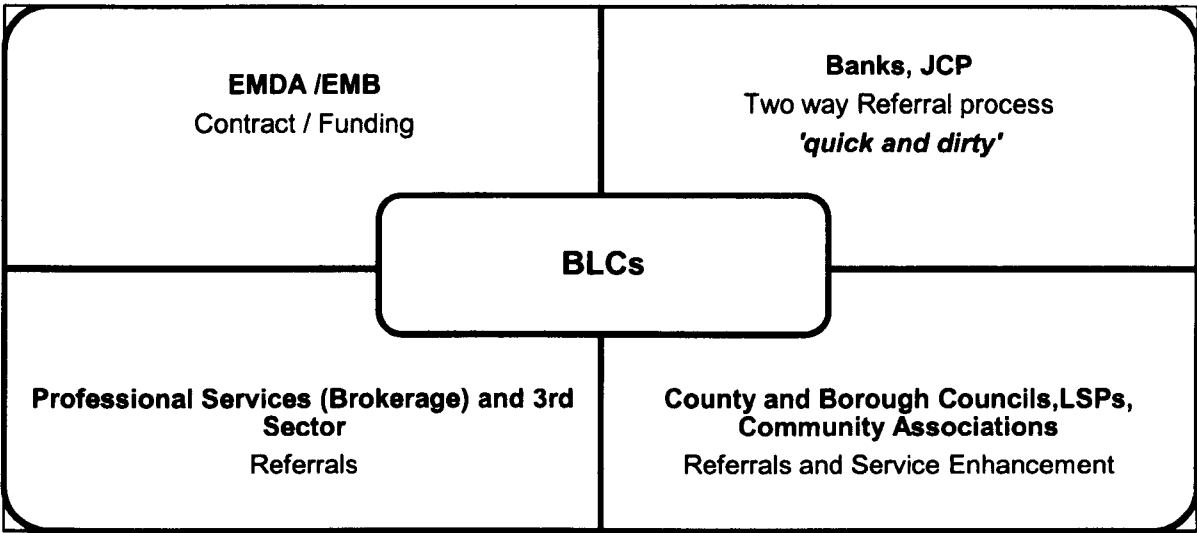
Regional bureaucracy, regional marketing and BLC relationships posed a challenge to the simplification agenda's aim of improving cooperation and collaboration. The next section will discuss the local networks and partnerships in terms of service delivery and outputs.

### **5.11. The BLSS Local Networks and Partnerships**

The context of the BLSS contract 2007-10 was against the background of a 'poisonous' BL brand which was considered to be an 'inconsistent' and 'tarnished' product. In the BLSS delivery structure, BLCs would only get clients from the regional Hub. The delivery of the regional BLSS programme needed to be marketed aggressively within the local context. The regional marketing approach was a challenge and the penetration figures remained low. The BLCs had to build strategic local partnerships within their counties as sources of client referrals. BLC<sup>1</sup>P<sup>6</sup> stated that the BLSS *'... has quite a network that includes local strategic partnerships and in that essence we (BLC<sup>1</sup>) are out there and providing as much information*

as possible'. BLCs, as part of their own initiative, had to build 'survival' partnerships to get client referrals. Figure 5-5 shows the BLC survival network four way view.

**Figure 5-5 BLC Survival Network**



The BLCs key relationships were with EMDA and EMB as the contract managers. The Banks and JCPs were essential partners as sources of referrals for training and advisor meetings. The County and Borough councils and Strategic Locals Partners (SLPs) were a source of enhanced local funding.

In addition to the normal referral, the banks were a source of new start-ups and for that reason they were one of the most important sources of referrals. Banks were at the centre of the direct referrals chain. The partnerships were viewed as mutually beneficial as the banks would get a 'better' customer after BLSS and the BLSS would get a definite start-up. *BLC<sup>2P1</sup>* stated that:

*'...banks were a source of 'quick and dirty hits' and sometimes we would get up to 60 starts from B<sup>1</sup>. The (Banks) would give the client an information pack and then forward customer details to BLC<sup>1</sup>'.*

The *BLC<sup>1P4</sup>* confirmed that: *'we get leads from the bank after the bank has given them an information pack. Some would have chosen not to take BL up but they are recorded still as a start-up.* Referrals from banks are individuals opening a business bank account and they were usually just about starting a business.

There were other types of partnerships which were long term and non-transactional such as those with councils and strategic local partnerships. In partnership with county and borough council, one of the *BLC<sup>3</sup>* designed enterprising competition

*'C<sup>3</sup> has Got Enterprising Business Talent, lots of different sessions and those who win proceed to the big 'dragons den. The winners this year were four lads who developed text updates for GPs to announce appointment changes. For those that qualify, we (BLC<sup>3</sup>) would refer them to the Princes Trust'.*

Within each county BLCs worked with their networks to meet their targets and promote enterprise development. The referral process with councils wasn't flawless, there were gaps. L<sup>2</sup>P<sup>2</sup> stated that:

*'There are still so many people going through the business premises pre-application process. Council should direct these people to BL. I do not think that the link is there. The planning department has no link with business development; otherwise there would more referrals from councils'.*

There were variations to how councils responded to being BLC partners and in one county (C<sup>1</sup>) not all councils need the same support. The situation in Northamptonshire varied from area to area e.g. Corby needed the *'most support and they would ask for it'* and the Corby business club promoted business, Kettering was *'unsure'*, Wellingborough was *'not interested'*, and East Northants was *'doing very well and building business'*. The market traders' programme in C<sup>1</sup> gave a rent discount to market traders who accessed the BLSS. L<sup>2</sup>P<sup>3</sup> stated that *'If a new trader goes to the BLSS, then their second 6 months rent is discounted (the market traders' scheme)'*. There were business development meetings across the counties that discussed housing development and infrastructure development. However, there was limited involvement of business support teams in home-housing development which could help incorporate the 'home-start' designs for homes. In short the BLC and local council partnerships were not uniform and seamless across all counties and even within counties where there were strong connections they were as a result of effort and involvement. BLC<sup>1</sup>P<sup>2</sup> stated that *'It's not a coincidence that we are the only organisation that got the support of local agencies'*.

This section shows the essential roles and limitations of the various partners within the business support framework as a source of funding and referrals. It is also appropriate to note that the dynamics in partnership varied from county to county. C<sup>1</sup> had the strongest working network model in which intermediaries were integrated into the delivery framework. These strong partnerships would be positive in a normal business environment however, in this context they were also source less-progressive 'quick hits' referrals into the BLSS system. This theme around 'quick-hits' is followed up on under targets as part of the BLC strategy to 'beat' the system. The banks were major sources of new business created

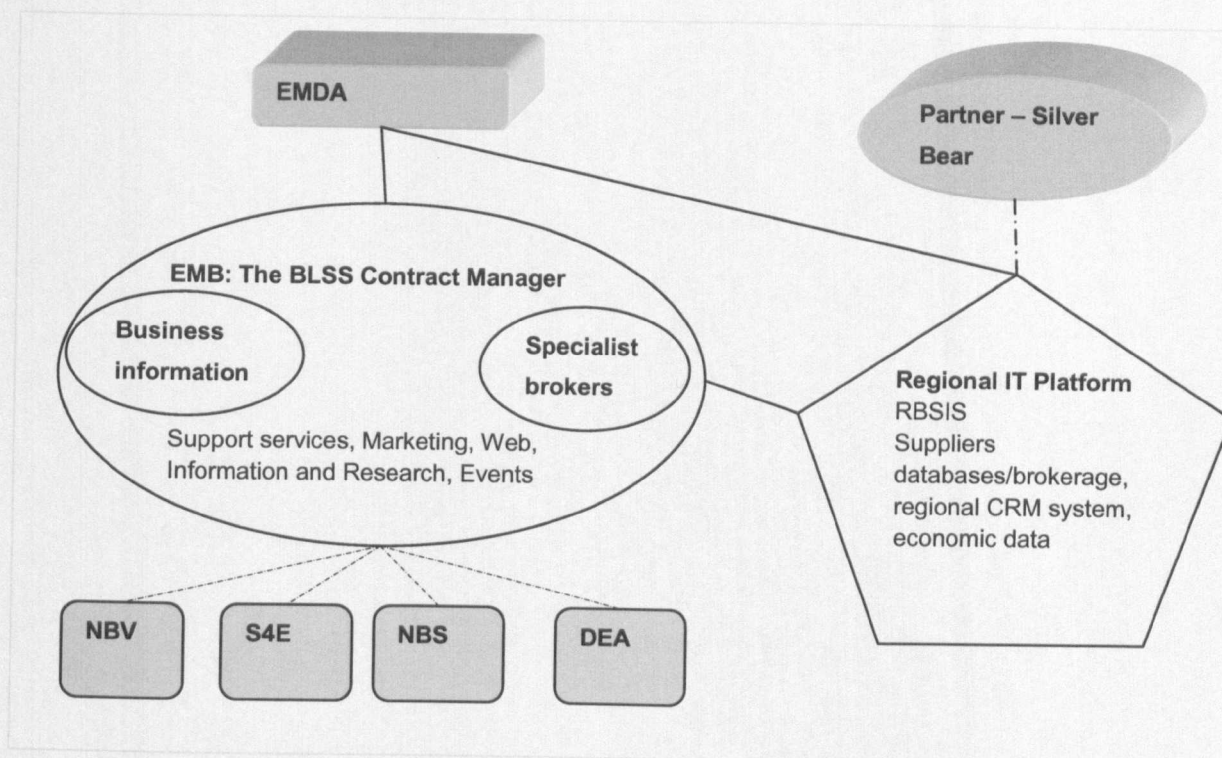


outputs while the Job Centre Plus was source of training outputs. The next section discusses the RBSIS and how the IT infrastructure supported (positive and negative) the delivery of BLSS across the region. The drive to hit targets in a 'quick and dirty' way is a threading theme in this study which is discussed under the contract, the numbers and in most sections of the qualitative analysis.

#### **5.12. Regional Business Support Information Systems (Database and CRM system)**

The Regional Business Support Information System (RBSIS) in the East Midlands was implemented about four to five months into the BLSS contract and up to the 31s of March 2010 the system had incomplete data for start-up activity between 1 April and September/October 2007. According to EMDA reports, RBSIS was designed to provide an independent regional IT platform (RBSIS) to support the BL service. RBSIS was meant to provide improved access to information, better partnership and use of improved management information systems. In line with the BLSS design the system was designed to act as a regional business support information system storing the supplier and brokerage database. It was designed to act as the regional CRM system and also store relevant economic assumptions for management information (MI) reporting. The system was web based and therefore had very low hardware requirements which gave all BL contractors access. The system however attracted a license fee per user for the BLCs to access the system (sub-standard system) and this was considered hugely unfair. Figure 5-6 shows how RBSIS was designed to support the regional business support structure.

**Figure 5-6 RBSIS Working Structure**



NBV = Nottingham Business Ventures; S4E = Skill for Enterprise; NBS = Northampton Business School; DEA = Derbyshire Enterprise Agency; CRM = Customer Relationship Management.

**EMDA (2005, p.20)**

Access to RBSIS was through username and password. Access rights were prescribed to job role ranging from administrator, business service advisor, programme manager, EMB and EMDA level. The users across all users' level noted challenges with RBSIS.

The interviews and meetings with system users show that the RBSIS posed challenges on data storage and management information report extraction. According to EMDA the new system went "live" on April 2 2007 (September/October 2007 according to BLCs) to ensure the delivery of a consistent service to BL clients, whilst facilitating continuous monitoring and evaluation of support service performance and production of accurate, auditable management information. The feedback from system users paints a different picture from the EMDA intentions. BLC<sup>1</sup>P<sup>6</sup> stated that the:

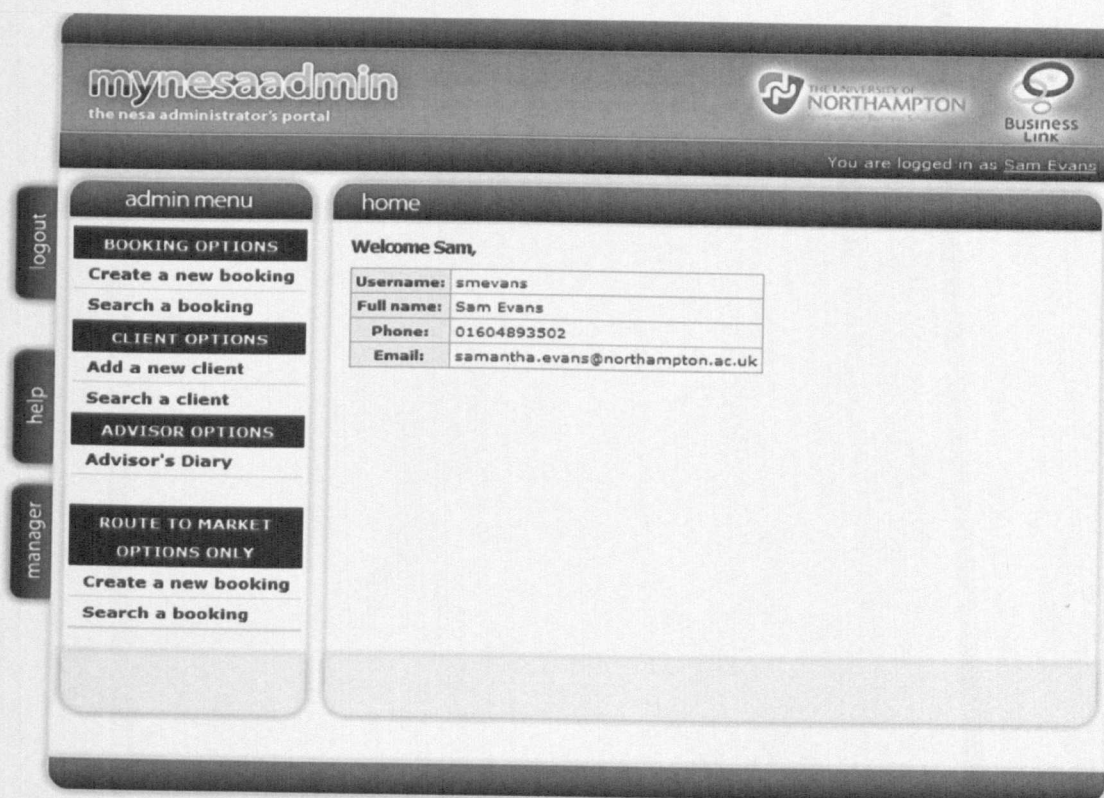
*'... the computer system RBSIS is not very robust, it repeats stuff therefore not very useful. It is a sage system and I think databases like this should be on access. The amount of time it takes to get a report is horrendous. This is a bad programme and doesn't do what it's supposed to do. When a customer is coming it takes ages to access or pull a file about who they are, what they did with us... where do they come from and who did they see etc. Seeing twenty clients a week, it takes at least 2 hours per client to do pre-meeting and post*

meeting paperwork. RBSIS is an EMB and EMDA system and maybe it gives them the reports they need.'

The statement by BLC<sup>1P6</sup> is an overall 'vote of no confidence' for RBSIS.

The screen shot in Figure 5-7 shows the login page to RBSIS, and the administration menu options which include bookings, client detail, advisor diary, and route to market bookings. The menu does not give options to run /extract reports and customer records are accessed in full at the rate of one at a time.

Figure 5-7 RBSIS – Screenshot



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Even at its peak of its functionality, the day to day users experienced challenges. RBSIS was a limited functionality CRM system. BLC<sup>1P7</sup>:

*'...I cannot run management report on RBSIS and to my knowledge no-one can; we keep our reports in spreadsheets. RBSIS doesn't always report, the CRM system is not reliable and requires a manual system to check against...working is just a challenge but RBSIS is not the system. In the end you just get used to it and work. The system loses data though it has not been confirmed. Sometimes it gives error messages when trying to access an intervention and sometimes it just fails and after checking all that could be wrong but it still won't work'.*

The users of the system had limited capacity to generate management reports by client profile e.g. demography (age, gender, ethnicity, education, and intervention) from RBSIS and this explains the use of a parallel manual system (excel) in all counties. As stated earlier, RBSIS only allowed the extraction of client records, one by one, in a drilldown format, a format which made CRM a challenge for the administrators and BSAs. The system challenges were also evident in the sampling for this study. Profiling data could only be extracted by the software developers at a fee. In relation to losing data, the storage of records on RBSIS improved over time. BLC<sup>1</sup>P<sup>2</sup> states that it became a *'fairly accurate and reliable record of activity'*.

In summary it is essential to note the challenges of adopting a new way of service delivery and a new IT system at the same time. In an evaluation of contracting Romzek and Johnston (2005) concluded that accountability can be undermined by the adoption of new information technologies. The new BLSS programme and the new RBSIS system were a huge change for BLSS providers (EMDA, EMB, Contractors) to cope. In reaching judgement on whether RBSIS was 'fit for purpose' it is essential to note that the system went live a few months into the BLSS contract. The final stages of piloting and trialling of the system by BLCs was done as the BLSS was being delivered. As noted earlier, this could have posed learning curve challenges. However, the performance of the system is acknowledged to have improved over the contract period. RBSIS created challenges in the delivery of the BLSS and remained an unresolved issue especially concerning the systems limited MIS and CRM capabilities to produce data for analysis by any dimension. The next section discussed the BLSS product which is at the centre of this review.

### **5.13. Business Link Start-up Service (the products)**

The BLSS products and services theme is one of the most significant of this study. In this section the contract managers' and contractors' perceptions and experiences of the service are discussed. The Regional Business Support Strategy (2006, p2) defines the role of business support as broadly to *'to help SMEs in the region start, grow and compete more effectively and more profitably.'* According to the Chair of the Business Support Forum (2006), the widened definition of business support was to extend its provision by public, private, voluntary and higher education sectors. The role of BLSS was to support new business creation, growth and survival. The EMDA plans for creating a regional BL service underpinned by the regional IT platform (RBSIS) were discussed in October 2005 when the

Board approved the move to a single regional provider. This paved the way for the creation of EMB. The key objectives of the transition to a new format regional BL service were to:

- Improve local delivery to all BL customers by providing more advisors on the ground, as a result of efficiencies achieved in the consolidation of existing back office functions.
- Provide a more consistent delivery of BL branded Information, Diagnostic and Brokerage (IDB) services which, in turn, would be more responsive to the needs of business

These broad objectives were translated into a legal document, the BLSS contract, and performance measures set out. The understanding of programme objectives and commitment to deliver on them was critical to achieve the objectives of EMDA.

It was evident that all levels in the BLSS provision had an understanding of what BLSS offered. At a strategic level, EMDA had three main aims:

- To increase the number of SME's trading in the East Midlands.
- To improve the survival rate of new businesses.
- To increase the growth rate and profitability of existing SMEs.

L<sup>1</sup>P<sup>2</sup> states that:

*'...BLSS does essentially two things, help people with an idea, either they need information and can get it via the internet, phone or meet business advisor. When the business has started, mentoring services are provided for new businesses.'*

This statement summarises the BLSS programme services, among them the website, the Hub, the advisors, and training session. The interviews show participants' understanding of the role of BLSS and it is essential to highlight that the general view of the service was in line with that expressed in the strategy document and at EMDA level. The discussions from the contract managers and BLCs show an operational, activity based focus. BLC<sup>2</sup>P<sup>1</sup> states that the BLSS is about *'starting as many viable businesses that we can'*. This was supported by L<sup>2</sup>P<sup>1</sup> stated that *'...BLSS is to assist people to start businesses: businesses created are an output'*.

The interpretation of the role and intention of the BLSS IDB programme was clearly understood across the region at all levels (strategic -EMDA, management -EMB and operational -BLC). The section will discuss the services within the IDB structure starting with information, diagnostic and then brokerage. This format of discussion is important because the objectives of the BLSS programme were to be achieved through the IDB model.



**Information** at pre-start stage can be used by nascent entrepreneurs to decide if starting a business is for them. L<sup>2</sup>P<sup>1</sup> states that: *'Most people come and see if it is for me and we help individuals to decide. A good start-up service tells people whether it is right for them, giving them a reality check'*. The BLSS provided nascent entrepreneurs with information through the website, telephone, training workshops, and one to one meetings with Business Service Advisors (BSA). The importance and role of information in the new venture creation process has been highlighted as part of human and social capital theory, social networks theory, and self efficacy studies and within opportunity exploitation models (discussed earlier). Information is considered an important factor in the new venture creation mix. The lack of information and market research has been cited as some of the reasons for post start business failure (Dunn and Bradstreet). L<sup>2</sup>P<sup>1</sup> adds that *'...we give information and let people decide'*.

The information role of BLSS is echoed at BLC level. BLC<sup>1</sup>P<sup>1</sup> stated that:

*'...all Business Link is trying to do is to help individuals decide whether to setup a business, how to go about setting a business... they are not always certain when they can start, once they actually setup then survival is the next challenge'*.

The quotations above highlight the view that BLSS aimed to provide information for decision making. Information is important to the decision to start and the process of setting up of a new venture. However, L<sup>2</sup>P<sup>1</sup> notes that:

*'...it doesn't follow that people that have started, managed to start a business because they got information or advice. It also doesn't follow that because they have been on training, or received an information pack, they are able to start'*.

There have been a few studies on business failure and the negative impact of new/small business failures is yet to be extensively researched. The effect of business failure may include investment loss, redundancies, bad bank loans, unpaid family loans etc. Information within the opportunity exploitation model is prior knowledge and according to Shane (2000), determines the opportunities that a nascent entrepreneur can see and exploit viably. Information provision therefore remains a key case for government intervention start-up support. BLSS was considered an inadequate prescription at inception as evidenced by the brokerage service. The inadequacy is what would be catered for by providing nascent entrepreneurs to access to brokerage services. The provision of information is a two way process and when it's flowing to the client, it is important for self-diagnosis and when its

client to advisor, it is an important enabler for diagnosis. The next section discusses the diagnostics as part of the BLSS service.

**Diagnostics** are an essential tool in needs definition and formed a central part of the BLSS programme. The diagnostic process requires the service provider to get information from the client and signposting them to a service. The needs of nascent entrepreneurs are expected to be varied. BLC<sup>1P4</sup> states that: *'...a lot of people starting businesses are quite 'stupid' and most of them need information, confidence, training, funding'*. BLC<sup>1P5</sup> viewed nascent entrepreneur needs as being *'...in two parts: (i) hard facts to do with tax / insurance (ii) interaction and support, handholding in terms of getting the assistance and loss of confidence, just someone to put their arms around them'*. The client profile skills and new business idea were some of the variables that would help the advisor to recommend a service (BLSS or brokered). These details were central to the provision of the service but were not easily available on RBSIS as discussed earlier.

The discussions around diagnostics gave an insight into the needs of nascent entrepreneurs most of which were expected to be met within the BLSS framework. BLC<sup>1P7</sup> stated

*'...what clients want can be generally met by the workshops, and 1 to 1 advisor sessions. Some people need a confidence boost, a bit of reassurance really, and they think it is possible or doable. We are there not to assess whether it's doable, we are not able to say whether it's feasible or not and this is linked to professional indemnity. The role is to advise but not do consultancy...the advice can be to advise an individual to register with the HRMC within 3 months of starting trading. It can be really varied and the questions that would come out were around tax, legal and softer issues around business planning, marketing'*

Advisors had to get as much information as possible to offer the right service. BLC<sup>1P4</sup> stated that *'it is our role to elicit more information from the clients in order to best determine their needs'*. Diagnosis in the IDB model was meant to understand the client requirements and refer them to other BLSS services or third party providers. Diagnosis would have needed to be carried out at every point of contact to allow a nascent entrepreneur to access the best suited service. The client advisor appointment booking form from the Hub contained limited information for pre-meeting preparations as stated earlier. The game was about numbers (quantity) and not quality, this is discussed further under the contract / output targets section. Brokerage is discussed in detail in the next section on needs and funding.

**Brokerage** was an important aspect of BLSS support. The service involved referring nascent entrepreneurs to third party business professional service providers such as banks, solicitors or accountants. The brokerage service was least understood at all levels except by advisors. The advisors were the people that actually had to deliver the service to clients in one to one meetings. BLC<sup>1P4</sup> stated that brokerage is whereby:

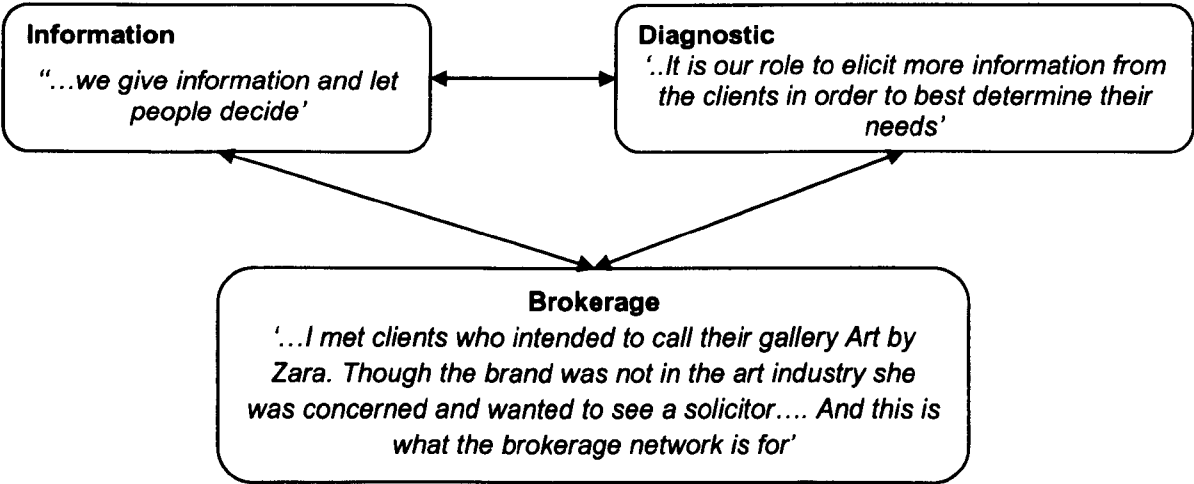
*'... we (advisors) recommend private organisations; we cannot recommend any paid service. We have to be completely and totally impartial when referring individuals or businesses to an accountant, bank, solicitor and can not recommend one. Give people options if they ask from the service providers register...here are three that you may wish to try. Advisors have to be impartial and recommend any service which is private and free'.*

In theory, this to a greater extent takes away local knowledge and expertise from local area BSAs as they have to take three random service providers as produced by the system. BLC<sup>1P4</sup> has

*'... Clients who intended to call their gallery art by Z.... Though the brand was not in the art industry she was concerned and wanted to see a solicitor.... And this is what the brokerage network is for'.*

Impartiality or neutrality would happen in some instances. However, in practice BLCs partnered with banks and other service providers to cross refer customers and, depending on advisor and area, some BLC advisors were more inclined to refer clients to specific banks. The networks and partnerships also presented an opportunity for third parties to distribute flyers for their services via BL workshops and advisor sessions. Figure 5-8 summarises the BLSS service and notable quotes around the service lines.

**Figure 5-8 The BLC Networks**





There was no follow-up with third party providers. There were no Service Level Agreements (SLAs) or feedback forms or updates on RBSIS with the third party providers. The numbers or rate of nascent entrepreneurs being referred to brokers was not measured and there was no follow-up or service assessment of the broker. This was a key part of the BLSS offer which was not formalised, recorded or measured.

#### **5.14. The BLSS Contract 2007-10 (the standards)**

Central to this research project are the discussions around the contract which defined the terms of reference, objectives, performance measure, and responsibilities and accountabilities of contractors. The BLSS contract was at the 'heart' of the programme and set the standards for delivery, specified targets, reporting, marketing and branding, RBSIS, and funding of the programme. In the region, the BLSS was a new approach to business support which came with new IT system and processes. The shift in delivery created its own challenges and anxieties in the structures as noted earlier. The BLSS services were awarded to contractors after a competitive tender open to both private and voluntary sector organisation. According to EMDA the tendering process represented a contract negotiating platform as applicants would put forward their proposals on how they would deliver BLSS if awarded the tender. There is a growing body of theoretical and empirical evidence to support the promotion of tenders awarding mechanisms, aimed at improving economic efficiency and effectiveness in contracts (Hensher and Stanley 2008). The regional BLSS contract was designed to provide structure, a tasking framework and measurable outputs. The contract outlined the responsibilities, reporting, and accountability in the provision of business support. L<sup>1</sup>P<sup>1</sup> stated that:

*'... The contracts and delivery targets had to be set. We needed to provide a service, and we could not say here is loads of money, spend it. We all got to be a little bit programmatic. In reality we tried to negotiate the targets through the invitation to tender'.*

L<sup>1</sup>P<sup>2</sup> also noted that as, *'the BLSS as it stands at the moment has a given framework, in terms of delivery structure and targets. The structure may not be perfect'.*

This section is a discussion of the broader issues around the contract. The launch of the BLSS was a turning point in start-up support. The BLSS contract was designed to ensure that the increased investment would be protected and delivered efficiently. The politics of government contract lies with accountability of governments to the people. EMDA, on behalf of the government, designed a contract which would deliver to meet government demands as outlined in the national BLSS framework. BLC<sup>1</sup>P<sup>2</sup> stated that:

*'Let's start when we got the contract. The contract was a turning point in the county. Business support had been very local and provided amateurish support using professionals with very limited resources. Support was only provided to a few people. The 2006 tender was for cohesive support. When the tender came out it was valued at more than £180,000\* and that was ten times as much money as the previous programmes'.*

The BLSS contract was delayed and it emerged as a key theme. According to Chen and Rossi (1980) the programme contract is important as in some cases the programme mode of delivery can have effects which were not initially intended as programme goals. In support of the challenges associated with the contract design BLC<sup>1</sup>P<sup>3</sup> note that the:

*'...business link frustrations are more with the contract than the service itself. It's just the way it's it all sort of highlighted the contract managers interest in ticking boxes'.*

As an expression of opinion about the BLSS contract, BLC<sup>1</sup>P<sup>3</sup> added that:

*'I don't know who it serves, for whatever purpose and for my own personal satisfaction, I would prefer smaller outputs. Fewer individuals that we can progress from one level to another. The numbers are based on the funding terms'.*

The invitation to tender for the BLSS programme was announced by EMDA in 2006. The tenders were reviewed and awarded in 2007. However, the BLSS contract was not signed until October 2007, five to six months into the programme. During the time between the official start date and the signing of the contract was the finalisation of the EMB role/structures. BCL<sup>1</sup>P<sup>1</sup> stated that:

*'We heard in April that we got the contract but we could not start delivering until we got the contract around September 2007. Between March and September 2007, the project was in limbo and before then you were not expected to do nothing. EMB did not record properly and there is no record of what happened between March and September 2007'.*

The gap between the official contract start date and the actual start date for delivery is evident on RBSIS since it has incomplete records over the 'lag' period. When the contracts were signed the BLCs were expected to be up to date on delivery. As a results of the contract delays BLC<sup>4</sup>P<sup>1</sup> noted that:

*'...we were always on the back foot. The contract design and the establishment of EMB... was not synchronised therefore delivery did not start until September/October 2007 ... a whole first quarter was wasted– there were staffing challenges at East Midlands Business. EMDA would not even make any allowance and we had to meet the targets, in the end what is right for the client was not right for the contract'.*

The BLSS contract recognised underperformance and carried it forward but would not allow the carrying forward of over-performance. RBSIS had no proper records of what happened between March – September 2017. The BLSS contract was a steep learning curve through out the system: BLC3P1 stated that:

*'there was massive pressure for us after we carried an underperformance...but unfortunately the contract does not allow carry forward of over performance. And it's kind of frustrating when there is no recognition'.*

This is supported by BLC<sup>2</sup>P<sup>1</sup> who noted that *'we later consistently over performed...but this is not recognised'.*

The introduction of BLSS was a change for everyone, new product, new marketing structure, new contracts, new ways of delivering and revised measures. The change created anxieties in the system. It was not just the case of funding and contract managers not being ready for the change. The EMDA and EMB delays with the contract and the contractors adjusting to a new way of delivering start-up support. The change to the new BLSS format of providing business support posed a challenge to the contracted start-up business support organisations. One was emerging out a management buyout and general there were issues understanding the tender and what BLCs were expected to deliver. BLC<sup>3</sup>P<sup>1</sup> stated that:

*'We had put together a consortium because we did not have expertise... 1st year of performance was really hard because we were a new business going through what we were supporting our customers to do. We got rid of the Managing Director and board in a management buy out, that was quite scary. This caused a break in referrals and 1st year we underperformed quite significantly'*

The first year problems under the 2007-10 BLSS contract created trust challenges between the contract manager and business link service providers. The new tender and contracting process was a challenging process. BLC<sup>1</sup>P<sup>2</sup> supports also noted:

*'When we wrote the tender initially it was very confusing. A lot of us did not know what to do and we had to do our own thing. The first year was a false start... we did what we could and it then changed to become an output game. Outcomes were predefined in the tender and there was a lot that should have happened that has not happened. Outputs included in the contract there is a lot of things that EMDA promised that never happened e.g. Training modules contract only started July 2007...we actually only got BLSS contract in October 2007'.*

During the course of the first year, there was a change in contract managers at EMDA level and this had an effect on how the contract was managed and this was thought by the BLCs to be linked to delivery pressure. There was pressure for everyone to deliver and the pressure for EMDA to deliver was mirrored by changes at provider level. BCL<sup>3</sup>P<sup>1</sup> stated that they had *'monthly meetings, bi-monthly and quarterly meetings. It would be good to move monthly meetings to quarterly'*. The pressure to deliver on the underperformance of the half year of the contract led to a series of reorganisations at BLC level. The pressure for performance on BLSS was exerted from EMDA level. L<sup>1</sup>P<sup>2</sup> noted that EMDA had to ensure the targets were achieved. For the BLCs the pressures is called for a series of reorganisations at BLC level. BCL<sup>1</sup>P<sup>2</sup> stated that:

*'In October 2008, we split the team; we needed people to be able to deliver. To date – it's working and we can easily make interventions on starts etc. Before Christmas in December 2008 within a short space of time we got the November and December target. Hitting the numbers and doing a good job. Initially nobody knew what they were doing'.*

In County C<sup>1</sup>, BCL<sup>3</sup>P<sup>1</sup> stated that they became *'very much women focussed. We had to split the country and things improved and now we doing ok'*.

There were trust issues between the contract manger and contractors. This was exasperated by the amount of money involved in the contract and the pressure to meet targets. Initially, the contract manager and marketing agency were accused of being numbers driven and BCL<sup>1</sup>P<sup>3</sup> noted that *'the contract manager did not bring anything to the table and was just there to check off boxes'*. As time progressed delivery and performance on the contract improved and at the time of the data collection parties to the BLSSS contract generally noted that the arrangements for the delivery of Business Link had settled and the new service model was becoming fully effective. The contract managers' and contractors' relationship was difficult at the beginning, but was gradually evolving through year 2. BCL<sup>1</sup>P<sup>2</sup> noted that

*'the contract began to work better and the 'mistrust' began to get better. It evolved from not understanding to understanding and performing in delivering outcomes'.* Figure 5-9 shows a hypothetical chart of the evolving relationship.

Contracts (formal or informal) specify the rules of the game, or the rights of each agent in the organisation and the performance criteria by which they are evaluated. However, there are difficulties and costs of structuring, monitoring, and securing a set of contracts among agents (Heinrich, 1999). An important feature of any contract is a clear and mutually understood specification of each party's contract obligations and how the contractor's performance will be assessed. Romzek and Johnston (2005) propose that contracts with clearly articulated responsibilities and reporting relationships are likely to enhance accountability effectiveness. There is evidence in every discussion of BLSS, that performance and outputs were a critical aspect of the delivery of the BLSS. Therefore the next section is a discussion of the targets and outcomes.

### **5.15. Important BLSS Numbers (Outputs and Outcomes)**

There were six key targets, of which three were part of the BL national framework outputs (market penetration, customer satisfaction and intensive assistance) and three were part of the regional tasking framework (jobs created, businesses surviving and GVA). In considering outputs and outcomes/results it is important to understand their role. According to the EMDA Corporate Plan (2008-11), outputs are produced by projects, as a direct consequence of the project activities whereas its outcomes/results are attributable, in whole or in part, to those activities. The outputs were used as the milestones to assess if the project was on course to deliver its objectives. The legal agreement (BLSS Contract) for the project did set out the data / reporting requirements for both outputs and outcomes. EMDA assumed that the targets for outputs and outcomes were been mutually negotiated through the competitive BLSS tendering and EMDA 'believed' that the targets were attainable. It seems clear from this analysis that BLCs has set themselves 'tough-to-reach' output projections to win the tenders and the pressure to meet the targets became an obvious and immediate challenge for BLCs from the onset.

BLC<sup>3P1</sup> confirmed that *'we never achieved the 1,200, T6 targeted outputs.... we only achieved about 70%'*. BLC<sup>1P1</sup> noted that the targets *'were numerically too high not to cheat, but instead we would go for easy wins'*. At EMDA level, the argument was that the targets were achievable negotiated through tender and that the reporting requirements were not tight. L1P1 stated that *'the targets are not too difficult and also because evidence requirements are not that tight. The reporting does not ask for evidence in terms of*

*signature*'. According to Romzek and Johnston (2005) performance measures and deliverables must provide the state with the information it needs to determine whether and how well the contractor is performing. The BLSS parties agreed (assumed in the tending process) that the performance measures and deliverables were suitable to the objectives of performance assessment. However when the contracts were awarded there were no clear definition of how the outputs would contribute to progress, activity completion and acquisition of human capital factors.

The key outputs and sub outputs are summarised in the sections below.

- **Training T6 (Workshops)**

Enterprise Capability was defined as the capability to handle uncertainty and respond positively to change, to create and implement new ideas and new ways of doing things, to make reasonable risk/reward assessments and act upon them in one's personal and working life. Enterprise capability programmes included core skills to include a range of the core competencies: business planning, employment, marketing, financial planning, and risk management. In the BLSS system there was no progressive monitoring whether people trained or advised had gone on to start a business.

- **New Businesses created (Short term)**

A new business under this output was defined as a new corporate establishment that has started trading (defined as when the business registers for VAT or, below the threshold, the date it registers for National Insurance (Class 2) contributions).

- **New Businesses surviving 12 months or more (Long term)**

Number of new businesses created and surviving for 12 months and number of businesses attracted to the region.

## **The Targets**

The number of people trained, number of businesses started and number of businesses surviving 12 months plus were central to the BLSS contract and performance reporting at BLC and contract manager level. L<sup>1</sup>P<sup>2</sup> noted that *'...has not been easy to push flexibility because the government dictates targets: outputs, jobs created, businesses started, business survival 12 months plus, and skills provision'*. The competitive bidding for the BLSS contract pushed BLCs to project high output and outcome targets. BLC<sup>1</sup>P<sup>3</sup> argued that the *'jobs created, new business created...didn't exist in the tasking document. We put them in the tender but we didn't know if they were to be used as tight measures'*. The measures proposed in the submitted tender documents became measures for the contract performance.

Number of new businesses created was central in EMDA's reporting. In its reporting EMDA would take pride in the achievement of these numbers. At a Small Business Exhibition Conference in 2009 L<sup>1</sup>P<sup>2</sup> stated that:

*'...within this year (2008-9) of operating in we created more than 308 businesses from scratch and created 590 jobs. The survival rate is reported to be 261 for the year 2008-9... the figures exist on the success stories of businesses that have accessed support'.*

EMB would take similar pride in making news flashes about the number of businesses supported (July 2010 EMB news flash in appendices (See appendix A-20).

As a development of the previous years and boosting the reporting requirement the definition and evidence requirements for new business started was altered to focus on survival. The definition of new business started had changed from previous years. L<sup>1</sup>P<sup>1</sup> stated that:

*'The interpretation of new business has changed over the years, though the definitions can still be twisted in terms of number of businesses created. Historically business links used to record the business started if an advisor rang and someone answered the phone as a business. Now it's about businesses created, started and trading for 12 months'*

Even with this change the new business stated / created was used for monitoring. The survival measure posed challenges as the reporting could only start 12 months into the project. Instead of waiting 12 months, the number of new businesses created became a useful indicator or basis on which 12 months survival rates would be based. In the absence of a mutually understood or accepted definition the target reporting also varied from one place to another. The operating definitions of new business were improvised by BLCs:

- BCL<sup>1</sup>P<sup>4</sup> stated that a business is recorded as a start-up *'when a person gets their first order we record them as a start-up'*.
- BCL<sup>1</sup>P<sup>3</sup> stated that a start-up is recorded when they have *'sent or received an invoice or brought goods for the business. We do not check if what they say is true'*.
- BCL<sup>1</sup>P<sup>2</sup> stated that *'the target on business started can range from being a taxi driver... and also included a woman who is doing part time business while her lads are at school (filler). What happens when they get a full time job? We count a business as a start-up when they issue their first invoice or pay for stock'*.

- BCL<sup>2</sup>P<sup>1</sup> stated that *'we don't just base it on VAT registrations because not everybody is registered. Advisors make telephone checks, client's checks. It's not too much pressure because we meet the targets'*.
- BCL<sup>1</sup>P<sup>1</sup> stated that *'what does starting a business mean, could be when they bought something or invoiced someone. Some are superdupa business. They are not illegal but do not make a meaningful contribution'*.
- BCL<sup>3</sup>P<sup>1</sup> stated that. *'when a clients says they have started, they could have bought something to sell, or started marketing themselves, or sold something'*

The variations in interpretation meant that a wide range of start-ups would be recorded, including those that received a single order and failed. The agencies would use any of the definitions to define a new business. The pressure to report on new business came from EMDA and the local development boards. L<sup>2</sup>P<sup>1</sup> noted that the *'local development board members would want to know the macroeconomic effect of activity'*. BLC<sup>1</sup>P<sup>7</sup> stated that the *'numbers very important and if you do not hit the numbers then there is no business'*. The main criticism of the BLSS contract would be that the because of the pressure for targets according to BLC<sup>1</sup>P<sup>4</sup> *'it ended up being a box ticking exercise...'*.

L<sup>1</sup>P<sup>1</sup> stated that: *'The targets are not too difficult because evidence requirements are not that tight. The reporting does not ask for evidence in terms of signature'* The statement clearly implies that targets could be easily met because there was no need for hard evidence. The low requirement on evidence of outputs cannot be used as a justification for high targets as this implied that 'ghost' or fictional outputs could be recorded. However, throughout the study, it was evident that BLSS was being delivered in a creative way.

On the new businesses created, the pressure led to new starts being counted /recorded to include taxi drivers. According to EMDA there was no awareness about the 'taxi-driver scam'. However, self employed people could be counted. L<sup>1</sup>P<sup>1</sup> stated that:

*'Self employed people are in people in business and that constitutes a business. I don't think it's necessary, that they may not be sustainable'*

A new business employing 20 people and one with just one employee (the owner) were counted the same. A new venture creating employment would however, contribute towards jobs created target.

BLC<sup>1</sup>P<sup>2</sup> stated that we are *'better at what we do now, than what we were: we know how to hit the targets and even taxi drivers being targeted / counted'*. BCL<sup>1</sup>P<sup>7</sup> also stated that:



*'People who start: - could have been trained, could have seen advisor, could have been sent an information pack, or in some situations are starting before the intervention'.*

The penetration, new business started, business surviving targets and outcomes discussed above were at the core of Business Link Start-up Service. The discussions around targets are therefore themes. Among the targets was penetration which was most applicable to the marketing agency and regional Hub. From the interviews it shows that the targets exerted pressure on the whole delivery process and encouraged behaviour that resulted in 'box ticking'. BLC<sup>1</sup>P<sup>3</sup> stated that:

*'...the marketing agency was briefed to get as many numbers as possible and filled the system with as many people as possible like 12,000 people. For example they would go to a university and hand out vouchers and as long as they had a name and other details, they would put it on RBSIS and that counted as penetration. This did get better as marketing agency started to work with contractors'.*

The pressure for targets seems to define the BLSS 2007-10 more than the BLSS product portfolio itself.

The T6 training output target was high and created the most controversy around delivering support for new business start-up or delivering support for meeting targets. The training packages were repackaged to a minimum of 6 hours training so that a client who attended one session could be counted as an output. Clients had to do six hours and BLC<sup>4</sup>P<sup>1</sup> noted that clients *'do 6 hours and in the end 'what is right for the client was not right for the contract'*. The pressure to meet the targets drove BLCs in all directions including working closely with educational institutions and counting lifestyle and part-time businesses. The targeting of vocational colleges and universities was good for the numbers. BCL<sup>3</sup>P<sup>1</sup> stated that:

*'We have done an awful amount of work with colleges and linking it with the possibility of starting a business'.*

For the BLSS what would count was in a number of cases did not contributing much to employment creation and economic development. However, L<sup>1</sup>P<sup>1</sup> development view noted that *'...the key output is people assisted to start their business and the key outcome is employment creation'*. The pressure to meet targets significantly shifted the focus to short-term target hitting away from the long-term development perspective. The question arising, would be how many of the people trained would be able to start a business?

The reporting of Gross Value Added (GVA) became part of the BLSS reporting a few months into the contract. The expected employment figures were however a 'guesstimation' just as the GVA forecast. BLC<sup>1</sup>P<sup>4</sup> stated that:

*'GVA was introduced later and therefore required a lot of backtracking. It was not one of the initial targets in the BLSS contract. GVA measures the projected turnover of operation, actual sales. Clients had to make them up in terms of intelligent guesswork'.*

The compilation of this important Government statistic was nothing better than 'guesstimation'. BLC<sup>1</sup>P<sup>3</sup> stated that the:

*'The GVA is a guess: EMDA had to press the start-up contractors to get a figure and people would give a figure. How then is the material used to justify programmes? It's an administrative nightmare'.*

Advisors were expected to make follow ups with a client (after their expected start date) to check on employment and GVA figures. BLC<sup>1</sup>P<sup>4</sup> noted that:

*'...we have to do follow-up calls after 3/6 months and report on how they are doing. This is quite difficult because the businesses haven't really started and they are doing little bit here and there. Initiatives were being driven by numbers. Data records are not robust and I think that it will come back to haunt us. We all want salaries and so we have to play the game'.*

The GVA checks were only possible (reliable) in a scenario where the key targets were being met. The GVA reporting created pressure on advisors and directed attention/effort towards the outputs. BCL<sup>1</sup>P<sup>2</sup> stated that GVA has *'... driven so much behaviour, for example at start-up, a window cleaner who will never get to do cash flow is pushed to state expected revenue and employment figures....* There were challenges across all counties. BCL<sup>2</sup>P<sup>1</sup> noted that GVA *'...problems come when you are not doing well on the enablers... training / mentoring'.* BCL<sup>1</sup>P<sup>4</sup> argues that:

*'GVA, 1st year forecast, increase in jobs, in sales, in profit etc, the advisors would not have done their job properly if the client still says maybe... £xxx. White collar background entrepreneurs are increasing and are more able to accurately predict / estimate GVA. Still some don't even know what the GVA is and it's really frustrating'.*

The advisors were a key component of the BLSS and provided 'coaching, mentoring, consultancy and advice'. The advisor numbers were not counted separately and their contribution was in referrals to other BLSS services. The pressure to meet targets meant that

BSAs had to work extra hard to contribute to start-ups, training and mentoring outputs. BCL<sup>1</sup>P<sup>4</sup> stated that *'My diary is full everyday'*. Eventually the delivery became an output challenge and everyone was offered any service especially if they could be counted. The advisors did not have specific targets around their activities and BCL<sup>1</sup>P<sup>4</sup> (an advisor) noted that they had *'no issue with any of the targets and getting people to go on to workshops and it doesn't matter what background someone comes from.'* BCL<sup>1</sup>P<sup>8</sup> stated that:

*'It's a shame that business advisors....don't have a target on what a business does. It's not a measurable. Don't count for anything. They are any integral part of the BCSS but they are not measured'*

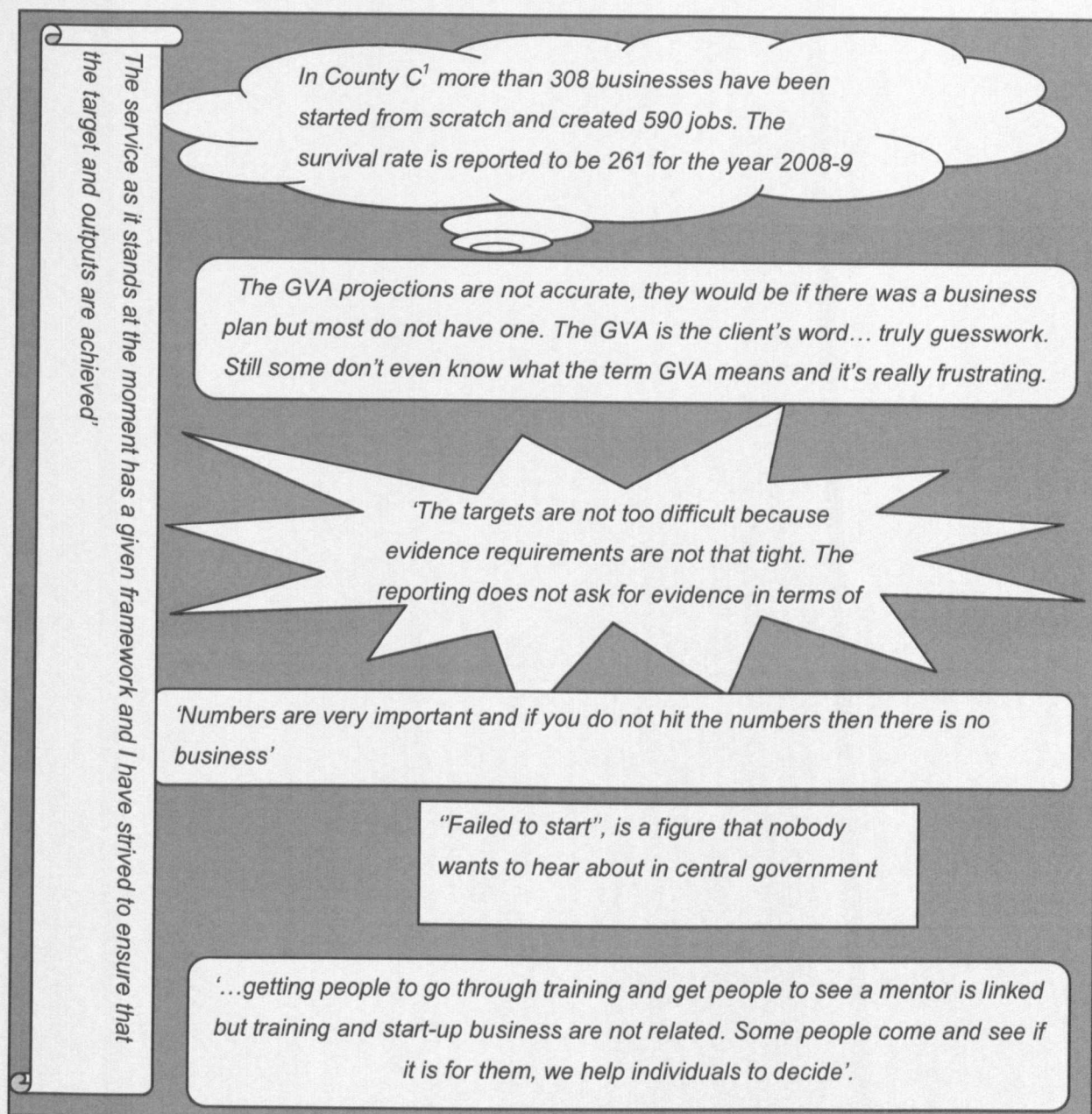
BCL<sup>1</sup>P<sup>3</sup> also stated that *'in C' they cram many advisor meetings in a day, seven or eight meetings a day'*. All counties recorded high satisfaction ratings even though the quality of delivery varied from county to county and advisor to advisor. The advisor aspect of BLSS was hardly measured especially services that acted enablers for other services, for example the advisors were gatekeepers to training and mentoring. BCL<sup>1</sup>P<sup>7</sup> stated that:

*'the advisors had no targets on how many people to see, advisors referred people to training and this is how most get on training. There was no measure on how many people get referred as T6 was a team target and everyone was pushing for it'*. It was known that *'there is a range of interpretations of the terms of contract tasking framework around number of jobs created, number of people trained'*.

The advisors' main contribution was towards intensive assistance outputs which were not a core target of the BLSS. The only measure that was relevant to the advisors was service quality which would be compiled by EMB and EMDA in mystery shopping and customer surveys.

There were varying views about the pressure of targets on the delivery of the BLSS, Figure 5-9 summarises the key quotations.

**Figure 5-9 Output and Outcome Target Quotes**



The need to meet targets was key through out the BLSS contract. The BLCs considered the outputs to be steep and hard to reach and, as noted in the earlier sections, the first year of the contract was mainly a learning period for both the contract manager and contractor.

Entrepreneurial development theory supports the view of progressive development from one stage to another. However, the contract specifications and the way it was managed meant that the delivery intentions were to hit individual unrelated targets.

BLC<sup>3P1</sup> stated that:

*'If you really care about business support you had to change the BLSS focus. We had two clients who could help each other and we connected them. We*

*have tried to meet targets and help the clients at the same time but we have been criticised for not meeting targets'.*

The challenges of balancing are discussed in detail later in this chapter under section 5.7.

However, the BLSS system was not required to report on failures or 'exit status' of those supported. In view of the pressure to deliver on government contracts, negative reporting was not common and according to BLCs and EMDA, the number of those who fail or decide not to start is not a number anyone in central government would want to hear about. The reality of business support in BLSS was that training and information may not lead to start up. BLC<sup>2</sup>P<sup>1</sup> noted that:

*'...getting people to go through training and getting people to see that mentor was linked. However, training and start-up business are not related. Most people come and see if it is for them'*

BLC<sup>2</sup>P<sup>5</sup> noted that:

*'...all BLSS is trying to do is to help them decide whether to setup a business. How to go about setting a business. I don't over /under encourage clients when they come'.*

L<sup>1</sup>P<sup>1</sup> stated that:

*'Its (should) be an achievement to help people some decide not to start. We give information and let people decide.*

The decision not to start is not recorded in the BLSS framework. BLC<sup>1</sup>P<sup>6</sup> stated that:

*'...most people come and see if it is for me. We help individuals to decide and all the individuals that fail to start or come back have decided not to start a business and be signposted. ... We also get people who decide that it's not the right thing for them.'*

According to BLC<sup>1</sup>P<sup>3</sup>:

*'some people that don't start or fail because they go back to their comfort zone by going back into full time employment, they had limited knowledge of the market, and had not done the research before they started'*

The number of people that fail or decide not to start is unknown. The reasons or causes of people failing to start cited above could be addressed through BLSS one to one support, training and access to brokered profession service. BLC<sup>1</sup>P<sup>4</sup> stated that:

*'Under BLSS it's not an achievement to help some people to decide not to start. An 'advisor should be able to advise them not to start. You can not count them and you can not help them to start something that will make them lose a fortune. These are the sort of things that they would not have thought through'.*

Another view is that individuals are expected to fail anyway. L<sup>1</sup>P<sup>1</sup> stated that *'people get into self employment because they have an interest, there are individuals that are expected to fail no matter how the support is provided'*. The BLSS information, training and advice can also act as a reality check and some people *'decide that it's now the right thing for them'*. This information 'black-hole' on those that do not start is addressed in the survey of nascent entrepreneurs which is discussed in later sections.

Not all the targets and outputs were equally important according to P<sup>1</sup>L<sup>1</sup> *'...the most important target is number of business helped to survive'*. However in published documents on business support there was no hint of some targets being more important than others. From the BLC contractors' perspective and according to BCL<sup>2</sup>P<sup>1</sup>: *'there has been equal emphasis. It should not matter how many people are trained. You could train twenty thousand people and only one starts a business'*. The EMDA targets were not weighted and BLC worked equally hard to meet and deliver on them. Weissert et al (2001) states that in government contracted programmes incentives are an important component of the principal agent model as a way to influence agents' behaviour. In the implementation literature, incentives are viewed more broadly as resources provided to the implementation process. However, the implementation literature often has viewed resources as a disincentive rather than as an incentive, when they drive behaviour in negative ways. Simple outputs indicators discussed above are useful primarily in the context of assessment or detailed program evaluation. The EMDA reported indicators (outputs) could cause serious distortions by distracting attention away from the context of start-up service provision and other objectives of enterprise support and promotion.

## **5.16. Filtering and Targeting**

Filtering and targeting of service was designed to ensure that clients access the service they need to be able to set-up a business. The filtering mechanism was part of the BLSS IDB framework and was managed by the regional Hub to which all calls, emails, and web inquiries were directed. In the BLSS contract there were no strict set procedures on accessing or utilising the service. The service was congested at all levels. BLC<sup>1</sup>P<sup>7</sup> stated that:

*'...there isn't pre-requisite screening to see a business link advisor. Some decide it's not for them. There are not any restrictions on how many times they can see the advisor, 8hrs is the set limit but there are no hard and fussy rules about contact time'*

This quote highlights that although BLSS filtering had changed in principle, in delivery it remained the same as the 1990s product. Similarly, pre-2007, pre-pre-start and intensive services were available to anyone who requested the service. L<sup>1</sup>P<sup>1</sup> stated that *'there was no need to filter on who sees an advisor, anyone could see an advisor, most people do see an advisor'*. The business support product was expected to change in this respect. The client journeys designed at the launch of the product were not part of the delivery infrastructure.

The filtering process was about ensuring entrepreneurs access to the services they needed (diagnostics and signposting) early on their BLSS support journey. The Hub was designed to provide a detailed filter, through a sophisticated website, telephone, and email service. Interestingly there was no MIS reporting facility to ascertain how many referrals come from the Hub and how many come from local marketing initiatives. However, there is consensus that the Hub provided BLCs with training, mentor and advisor outputs. BLC<sup>3</sup>P<sup>1</sup> stated that the Hub: *'provides the majority of clients and it is there to do that (filtering). The referral from the Hub make up 80% of customers we see and 20% comes from other sources'*. BCL<sup>2</sup>P<sup>1</sup> agreed stating that the:

*'...Hub provides majority of clients and it is there to field information queries and pass people on. It is our role (as advisors) to elicit more information from the client in order to best determine their needs'*.

County C<sup>3</sup> claimed that they *'had the highest number of referrals from the Hub within the region'*. The Hub is also credited with bringing *'the highest volume for advisor meetings'* (BLC<sup>1</sup>P<sup>7</sup>). However the Hub filtering efforts have been criticised. Expressing dismay at the Hub filtering, BCL<sup>1</sup>P<sup>7</sup> stated that *'apparently they do filtering, but sometimes we (BLC's) wonder how some people get through'*. BCL<sup>1</sup>P<sup>7</sup> stated that they *'do not know how many new businesses created are from people coming from the Hub and from other sources, such as banks, that make a substantial contribution'*.

IDB had its own challenges and the Hub was most times considered a hindrance to service provision. L<sup>2</sup>P<sup>1</sup> stated that the Hub is:

*'...very frustrating – the Hub conducts a lengthy interview with the caller and this has been known to be frustrating. Some end up not seeing a business advisor or attending training. Some spend time with an advisor and still fail to see where they can go from there'*.

However direct referrals especially the job centre brought a unique set of challenges. BLC<sup>1</sup>P<sup>6</sup> states that

*'the Job centre plus people coming to us, lots of them were not suitable and did not know what they were looking for. Half if not more just have to do it.... Unemployed people have to ring BL as a way of massaging unemployment figures'.*

Most of the people from the JCP were not suited for the entrepreneurial programme; it was suggested that many wanted to continue on benefits. Most of the service providers saw the JCP participants' simply as a joke. BLC<sup>1P7</sup> noted that:

*'There were few groups of people from the job centre that would have anything to do with starting a business. If a person has stayed 6 months on the job seekers allowance and they were asked to attend business link start up training. When they come here some are not sure what they are doing... its just about changing the name of benefit... moving from job seekers allowance to flexible new deal' (laughing).*

It was noted that most discussions with JCP participants would often end with the first interaction. Some counties developed job centre specific support in C<sup>3</sup>, BLC<sup>3P1</sup> stated that:

*'From the 18th of January 2010 there was a large amount of money to be drawn down upon when providing the workshops. Referrals from the job centre were high, but what value was it to anybody, I don't know'.*

The BLCs note that the calibre of individuals from the Hub were considerably different from the Job centre referrals, most of whom would not know what they were doing and were months from starting a business. It can be concluded that the JCP referrals were good for the numbers of trained but not for business start-up.

The Hub was criticised for asking too many questions and yet passing 'unfiltered' individuals onto BLCs. Filtering and targeting were central to diagnostics and provision of services relevant to individual nascent entrepreneurs needs. It is essential to acknowledge the role of pressure to meet targets on the filtering by-pass. According to BLCs the local referrals and clients from local marketing initiatives gave BLCs an opportunity to reach the numbers even though it was widely acknowledged that JCP referral were a challenge. Local referrals would not go through any form of filtering and were good as long as they would count.

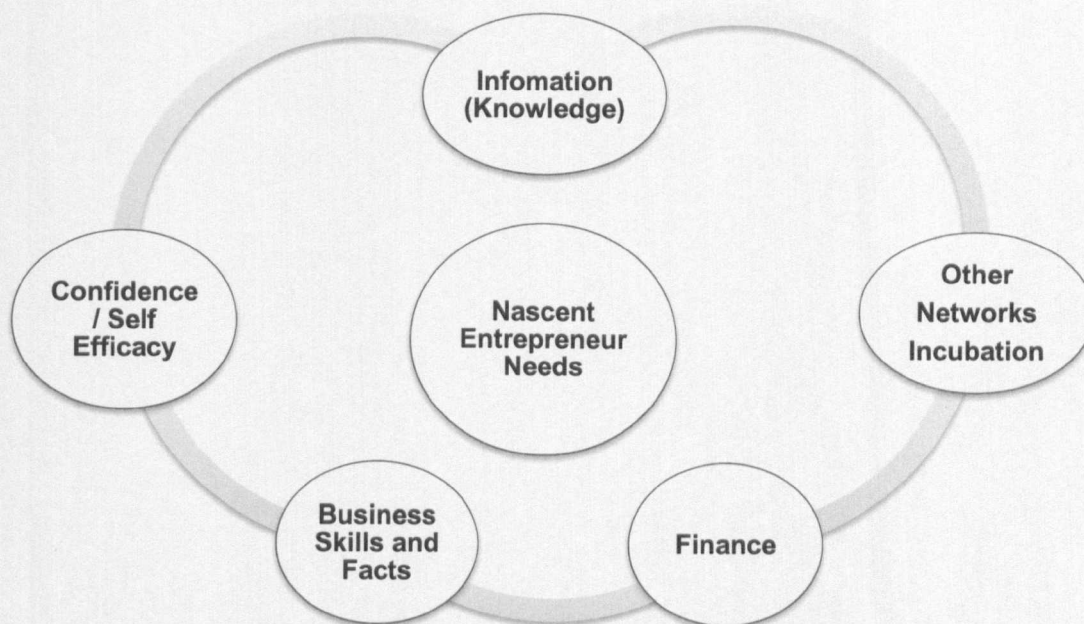
### **5.17. Nascent Entrepreneurs Needs (The Providers View)**

Central to this thesis are the needs of nascent entrepreneurs. The needs of nascent entrepreneurs in literature have been topical in human and social capital theory research. The role of education, age, gender, social networks, role models, and financial resources among other aspects has been extensively researched as discussed in Chapter 3 under human capital. This section analyses nascent entrepreneur needs from the providers of



BLSS start-up support. The needs include confidence boosting, writing a business plan, information for decision making, business facts or skills and funding etc. A similar analysis will be carried out in Chapter 6 around the nascent entrepreneurs view on their needs. Figure 5-10 shows the themes emerging around nascent entrepreneur needs.

**Figure 5-10 Nascent Entrepreneur Needs**



**Business skills training under the BLSS programme included (as noted in Chapter 2):**

- Workshop 1 - Is It for you and Deciding To Start;
- Workshop 2 - The Business plan;
- Workshop 3 - Sales and Marketing;
- Workshop 4 - Financial Planning;
- Workshop 5 & 6- Managing Money and Risk;
- Workshop 7 - ICT and ecommerce, and
- Workshop 8 - Employing People.

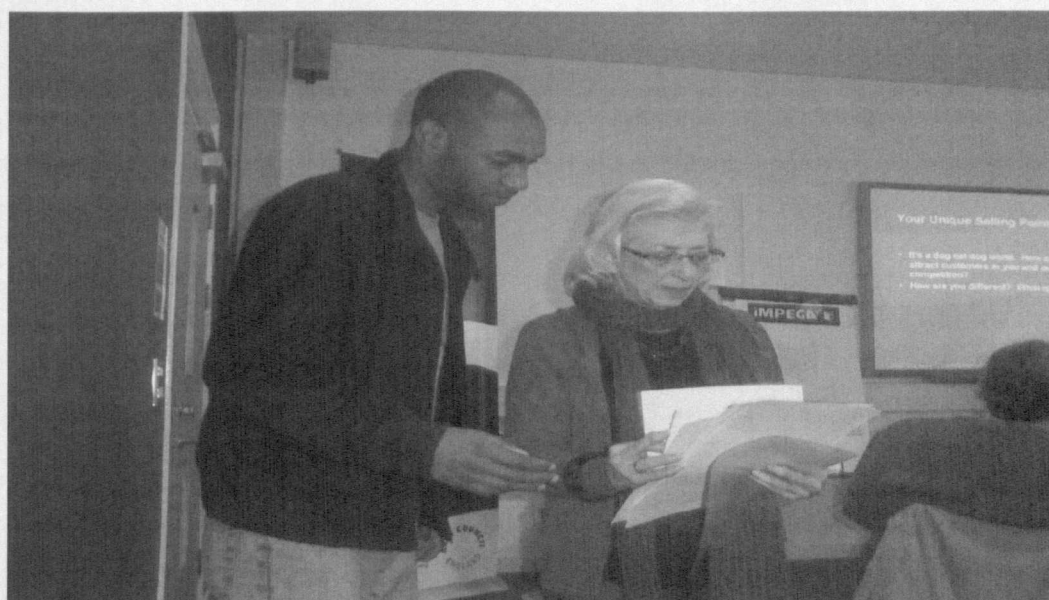
The workshops addressed a wide range of business skills and information relevant to starting and managing a new business. The workshops were open to anyone. In order to meet the T6 target individuals were expected to attend a minimum of six hours training. The modules were merged to create one day sessions (weekdays and weekends in C<sup>1</sup>) running from 10am to 5pm for groups of on average 40-50 people. The BLSS training sessions aimed to:

- BLC<sup>1</sup>P<sup>5</sup>: '*...accelerate the learning curve and make sure they quickly learn the rules of the game*'

- BCL<sup>1</sup>P<sup>4</sup>: *'...to reduce the numbers of people that don't start or fail because of not knowing market place, not knowing how to market self and business, and lack of research before they started'*
- BCL<sup>1</sup>P<sup>4</sup>: *'... educate prestart entrepreneurs, know how much do I need to keep the home (family) going 'survival budget'.*

The case for training sessions was that nascent entrepreneurs require entrepreneurial and management skills to be able to carry out start-up activities and manage a sustainable business. This is supported in literature that training sessions were an important source of peer support (Romzek and Johnston, 2005), and networking. The support individuals get from attending workshops includes meeting the other people in the group the networks. The picture in Figure 5-10 shows the interaction of participants at a Sales and Marketing course (13 March 2010). The participants of different experiences and backgrounds would share experiences. This view is supported by nascent entrepreneurs' feedback in the next chapter.

**Figure 5-11 Workshops Interactions**



Centre

The business plan is normally required for formal funding applications with banks, business angels and other providers of funds. A nascent entrepreneur trying to setup a new business could access business planning guidance from the website, the workshops and advisor meetings. The BLSS service was standardised on the website and training workshops and flexible or varied for advisor sessions. The advisors role ranged from being a counsellor, advisor, coach and consultant. L<sup>2</sup>P<sup>3</sup> stated that:

*'... advisors are not proxy consultants or directors and they help on what they are needed, which is determined by the diagnostic outcome'.* The role of the business advisor was

undefined and could stretch to include mentor to counsellor. In county C<sup>3</sup> where advisors met 7/8 clients per day it was more difficult to provide in-depth customised support. There were also individual differences among advisors.

BLC<sup>1</sup>P<sup>3</sup> stated that:

*'There is a difference in services depending on the advisor; BSA<sup>1</sup> is more coaching and giving ownership to clients. BSA<sup>1</sup> meets clients once and BSA<sup>2</sup> meets them three times. With advisors, who you meet has an effect on the individual. BSA<sup>2</sup> meets 20 customers a week and BSA<sup>1</sup> meets 6. They all need to prepare for the session, record the session plan on RBSIS and feedback. An hour of the meeting includes writing time. BSA<sup>1</sup> has to restructure the way that they work... BSA<sup>1</sup> thinks talking for two hours and doing research for the clients is what matters ... BSA<sup>1</sup> even searches through the knowledge bank and sends the clients an email'.*

Table 5-5 captures the several other subthemes and relevant quotes around the needs of nascent entrepreneurs which include confidence, business plan, business skills etc. The push factors such as redundancy are highlighted.

**Table 5-5 Nascent Entrepreneur Needs**

| Sub-themes                | The Quotations  |
|---------------------------|---|
| Confidence /Self-Efficacy | <i>In reality for some people, it's about handholding because as an example there are people who came in and say I want to be a window cleaner... in other words some people do not have the energy or will power to progress on their own</i><br><i>Most women we have met and help start need confidence... We run a couple of these (women enterprise programmes) for xxx because we like to spread out. The majority of people can get a telephone advisor, while some people need one to one 'handholding'.</i><br><i>Confidence 'boost', a bit of reassurance really and they think it is possible to start a business. We are there not to assess whether it's doable. We are not able to say whether its feasible or not and this is linked to professional indemnity</i><br><i>Handholding in terms of giving the assistance and confidence.</i><br><i>What they need is someone to put arms around them.</i><br><i>Dealing with fear and ensuring that fear does not incapacitate them to do what they want to do. Some of the clients do not have much</i> |

| Sub-themes                    | The Quotations  |
|-------------------------------|---|
|                               | <p><i>skill e.g. domestic cleaner. She just wanted ideas on how to get more customers. She was so happy about and how useful the meeting had been.</i></p> <p><i>I get quite a few men, middle aged men who had been made redundant and are quite angry. Have worked an awful long-time – then they apply and don't get another job.</i></p> <p><i>Another was carrying Baggage, depressed and dispirited about what had happened (redundancy). He needed to go through bereavement and he needed to grieve. There is need to get a counsellor and get him sorted.</i></p> <p><i>A lot of people starting businesses are quite stupid and they need, Confidence building, Training support, Funding</i></p> <p><i>I provide answers to questions that they have thought of and give reassurance that they are on the right lines, and answers for question that they don't know.</i></p> <p><i>I don't over /under encourage clients when they come. Some times we have to ask have you thought about this without saying you don't say you can not do this</i></p> |
| <b>Business /Action Plan</b>  | <p><i>When a client comes to see the business advisor they come out with an action plan e.g. to go and see a bank manager, develop a website, or do a business plan among other things. Through the client management system (RBSIS) the advisor puts a follow up. It can be really varied and the questions that were coming out were around tax, legal and softer issues around business planning, marketing.</i></p> <p><i>A good start-up service tells people whether it is right for them. Reality check. The prospective owner has to think about the resources and do market research. Always on unknown and can improve the chances of success.</i></p> <p><i>Confirmation that their idea is good and update on steps taken to date.</i></p>  |
| <b>Information / Decision</b> | <p><i>Help people with an idea either they need information which they can get via the internet, phone or meet a business advisor</i></p> <p><i>Other than non-availability for funding, there is more to what individuals need in terms of information, incubation space.</i></p>  |

| Sub-themes                     | The Quotations  |
|--------------------------------|---|
|                                | <p><i>Most people come with half of what they want but lack the other.</i></p> <p><i>There is need to cover the gap in terms of human capital skills</i></p> <p><i>Most people come and see if it is for me. Help individuals to decide! All individuals that fail to start or come back have decided not to start a business and be signposted. The large majority of people that come on the training do try to start (about 600) and some manage to start (about 400). We also get people who decide that it's now the right thing for them.</i></p> <p><i>Networks / contacts are critical in start-up.</i></p> <p><i>Working links / job centre, quality /interest been unemployed for a long time, low confidence and not much income. It is harder without funds. From the referrals we get from the job centre, it easy to tell that it wasn't something they were thinking of and their confidence is low.</i></p> <p><i>Coaching and mentoring, we will work together as a team to help you progress. The system is in place ...</i></p> <p><i>More and more people accessing business support and because they have just been made redundant. Just helping people who are normally a little bit nervous. The recession is getting rid of speculative people. Some people choose self employment because they do not like their job</i></p> <p><i>Most of the people starting up do not have an idea of what they need to do.</i></p> |
| <b>Business Skills / Facts</b> | <p><i>With the current economic clients they think there is money and they want grants, legal and tax advice. There are more people asking for grants than there used to be.</i></p> <p><i>Budget and tax planning</i></p> <p><i>Because you are labelled a business advisor, the role is to advise but its not to do xyz which are not prescribed. The advice can be to advise an individual to register with the HRMC within 3months of starting trading.</i></p> <p><i>What do they look for in two parts, it's the hard facts of what they need to do about tax / insurance and interaction and support,</i></p> <p><i>Pathways provides very little with funding but we help with accelerating the learning curve and make sure they quickly learn</i></p>   |



| Sub-themes | The Quotations   |
|------------|--|
|            | <p><i>the rules of the game.</i></p> <p><i>Redundancy customers – come to see me, he knew how much he was getting paid wanted to pitch his business at £6 an hour because he was being paid £5. The question of business viability had to be addressed.</i></p> <p><i>Most people need to answers to the question ‘how much do I need to keep the home going, what we call the ‘survival budget’.</i></p> <p><i>Industry analysis – NEs need to appreciate competition and other barriers as they try to set their business.</i></p> |

The role of the BLSS was to provide information, carry out diagnostic and provide brokerage services to pre-start and start-up entrepreneurs (businesses under 12 months). The pre-start interventions were aimed at creating a viable new venture and the post-start support was designed to ensure sustainability and survival. The nascent entrepreneur needs theme and subthemes emerging from interviews at EMDA, EMB, and BLC level revolve around themes of research as discussed in the literature review. The key themes include confidence (self efficacy), business skills (facts), funding, business plan, information and others such as incubation, mentoring and coaching.

**5.18. Funding (Need vs. Service)**

BLSS did not provide funding for nascent entrepreneurs (importance discussed in Section 3.6) as part of its product portfolio. However, in some counties limited start-up funding was made available for entrepreneurs in deprived communities. In Northamptonshire Pathways Grant Finance was available for entrepreneurs in disadvantaged communities and was structured in the format of the Dragons Den. In Leicestershire there was the Sir Thomas White Loan Charity which provided interest free business and postgraduate education loans. Funding in business support is topical and emerged as a key theme in the discussions with the providers. The interview data shows that non-availability and importance of start-up finance central to providers: L1P1 stated that:

*‘...I suppose all that I can say is that funding is one of the fundamentals and has been one of the strongest market failures... there is a need for the some form of support to start-up individuals’.*

Start-up finance emerged as one of the most significant subthemes under entrepreneurial needs. Based on the interview responses one of the most common barriers facing nascent entrepreneurs is their limited ability to access capital from the market.

There was no funding provision in the core BLSS provision. Interviews and observations show that funding for start-up business is a significant issue for nascent entrepreneurs and start-up business. Nascent entrepreneurs are varied but a BLC participant involved in customer interface BCL<sup>1</sup>P<sup>7</sup> stated that:

*‘...with the current economic, our clients think that there is money (grants). They also want grants, legal and tax advice, budget planning. There are more people asking for grants than there used to be’.*

The economic recession in the years of the BLSS generated more clients due to redundancies, but also posed a challenge to nascent entrepreneurs accessing finance. As noted earlier, the banks were not lending and enquiries about finance increased. Table 5-6 outlines the quotations around funding for deprived areas, Pathways, grants and survival budgeting. This captures the providers view on the need to provide funding in deprived areas, the increased in inquiries for funding during the recession, feedback on Pathways, grants and other related forms of entrepreneurial finance.

**Table 5-6 Start-up and Working Capital**

| Aspect         | Quotations  |
|----------------|---|
| Deprived Areas | <i>In C<sup>1</sup> start-ups can access grant funding and without it they can not start a business. However, they have to spend the money then they can claim it but deprived areas often can not find the money to pay first.</i>   |
| Inquiries      | <i>Money is one of the biggest issues, people starting a business want money, and for those who fail, their answer is that they could not find money.</i><br><i>The credit situation is not good and individuals need support. Since the recession there has been an increasing problem of working capital.</i>   |
| Pathways       | <i>Pathways® is a popular scheme, targeted at people who live in areas of need. There is a genuine need to assess if funding is required. Does it stop someone from starting a business?</i><br><i>EMDA would not allow SLPs and BLCs to fund start-ups in advance ... the system was pay and claim. The whole argument is that people do not have money to start-up with in the first place.</i><br><i>Pathways is specific to C<sup>1</sup> and is a source of disappointment especially on postcode and most people cannot get it.</i><br><i>I have seen lots of Pathway Schemes, some very good and some not.</i> |

|              |   |
|--------------|---|
|              | <p><i>Some parts of C<sup>1</sup>N<sup>1</sup> are not part of the deprived areas but they need help. A lot of them are looking for funding and we do have access to grants. and Pathways in C<sup>1</sup> caters for regeneration project areas, but only a small proportion expect to get funding.</i></p> <p><i>The postcode lottery means the beneficiaries home or business premises have to be in a designated postcode area and one becomes eligible for £2000 under pathways. There is need for a complete business plan, presentation to the dragons and presentation skills workshop. 95% of the people that apply do get the grants.</i></p> <p><i>Thank God, that Pathways has been available because we have managed to help over 30 people. The problem with pathways was what was deprived areas may not be the ones with high unemployment.</i></p> <p><i>Funding has been the biggest problem, cash flow between giving up a job and getting funding to start a business – bridging finance.</i></p> <p><i>Looking at what our partners and BL advisors say in terms of the need for funding and initial start-up capital. Pathways has been very popular in that respect.</i></p> |
| <b>Other</b> | <p><i>Typical start-up business doesn't earn profit for the first six to nine months. if someone is cash stricken and would want to start a business – if the business cash flow does not show the customer is asked on how they going to survive. It's brutal but necessary that they know that the business will drain money and they need to survive.</i></p> <p><i>Lack of funding is to some extent a big issue. For people without much capital / income I refer them to angel finance, sharing shops, starting from home, industrial space in a corner for a regular income.</i></p> <p><i>Enterprise loan is a soft loan, base rate +5, flexible terms, cheaper than the banks. The challenge with Small business loans is that at some point you may pay it back.</i></p> <p><i>There is the East Midlands Loan Fund, but individuals lose interest when they know it's a loan.</i></p>  |

The BLSS providers asked questions about whether the demand for funding was real or just an expectation. Discussions with customer facing individuals show that:

- firstly there is an expectation that BL provides finance / funding in the form of soft loans and grants as shown by a quote from BLC<sup>1</sup>P<sup>7</sup> who stated that:



*'...from the inquiries we get, funding is top of the list. There is an expectation that funding should be provided... but is it really the need? People are asking for funding, why is there an expectation that BLSS provides funding?'*

- Secondly that there is a huge demand for start-up loans and grants. The argument is that funding can make a difference between those who start and those that fail. This is supported by BLC1P4 who states that: *'funding has been the biggest problem, cash flow between giving up a job and getting funding to start a business – bridging finance'*.

The need for funding is considered to be, logically, higher in disadvantaged communities across all counties. This was the justification used in the design of programmes such as Pathways, Sir Thomas White and Princes Trust which is only available for individuals who live or start businesses in specific postcode locations or of a certain age. This postcode eligibility proved to be a challenge as BSAs and other customer interfacing individuals found that two people living in the same area, could be easily different postcodes. The need for funding is well advanced in the literature discussions, and supported by interview responses. What emerged in the interviews were issues surrounding EU regulations on business grants and loans (which could be considered as a form of subsidy), the unsustainability of grant financing, and the need to balance between the business and social case in the provision of start-up finance.

Arguments discussed earlier in the literature review under funding show that most micro-finance institutions are not sustainable without continuous government grant (or donor) funding. The participants went on to discuss how funding should work. BLC<sup>1</sup>P<sup>2</sup> stated that:

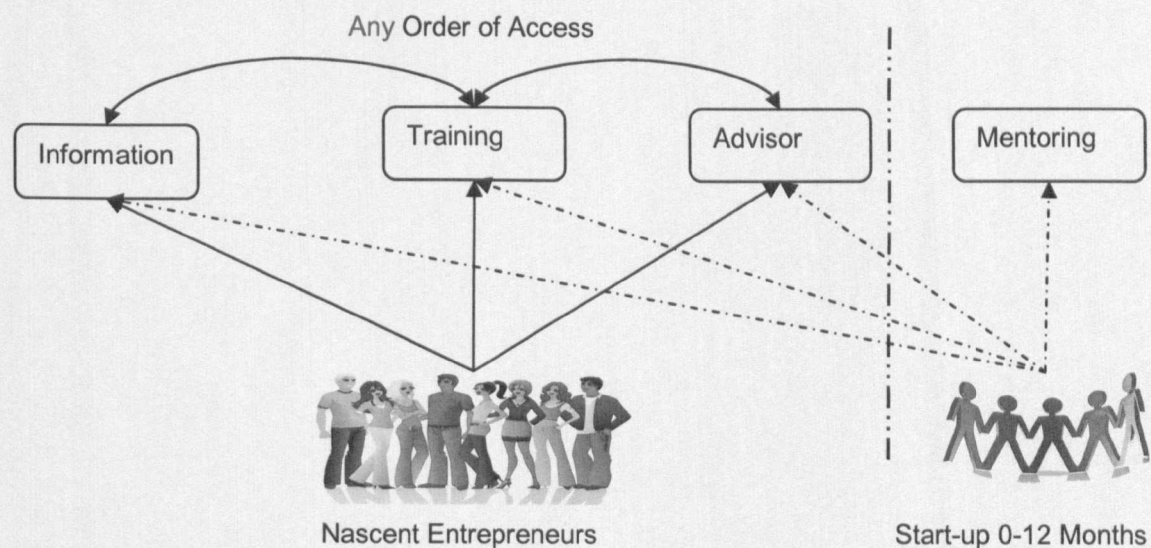
*'I do not agree with grant finance which ends up being given to hit output targets. People looking to start a business are eligible for £3k (£3,000) to look at starting a business. They would make grant applications to buy a laptop and Wi-Fi to do research on starting a business. There was a grants programme in C<sup>1</sup> (area BLC<sup>1</sup>). They gave out all the money and not one business survived. The start-ups used all the money for salary and when it got finished the businesses closed'.*

This questions the viability and rationale of grant funding. The small business loans provided by the EMDA are attractive to businesses that have a two year operating history but as providers state, sometimes start-up capital is necessary, bridging finance between the end of employment and the first order and order financing to be able to generate first cash inflows.

5.19. Progression

Progression is a central theme in this study and all the other themes highlight the issues in the delivery context (pressure for targets, contract delays, regional marketing etc) which limited the capacity of BLCs to deliver progressive support. The core objective of the BLSS programme in the East Midlands was to stimulate new business creation by helping pre-start and start-up entrepreneurs to progress to setup and survive. The creation of a new business is core to the BLSS provision. The BLSS was designed for pre-starts and newly founded firms, however the accessing of this support was not based on stage except for mentoring which was only available for start-ups less than 12 months old. Any nascent entrepreneur could access any of the services at any point in their development and in any order. Figure 5-12 demonstrates different starting points in service access. The two way arrows show different starting points and next stage access of service. This was flexible but the intention was to direct clients where they could be counted.

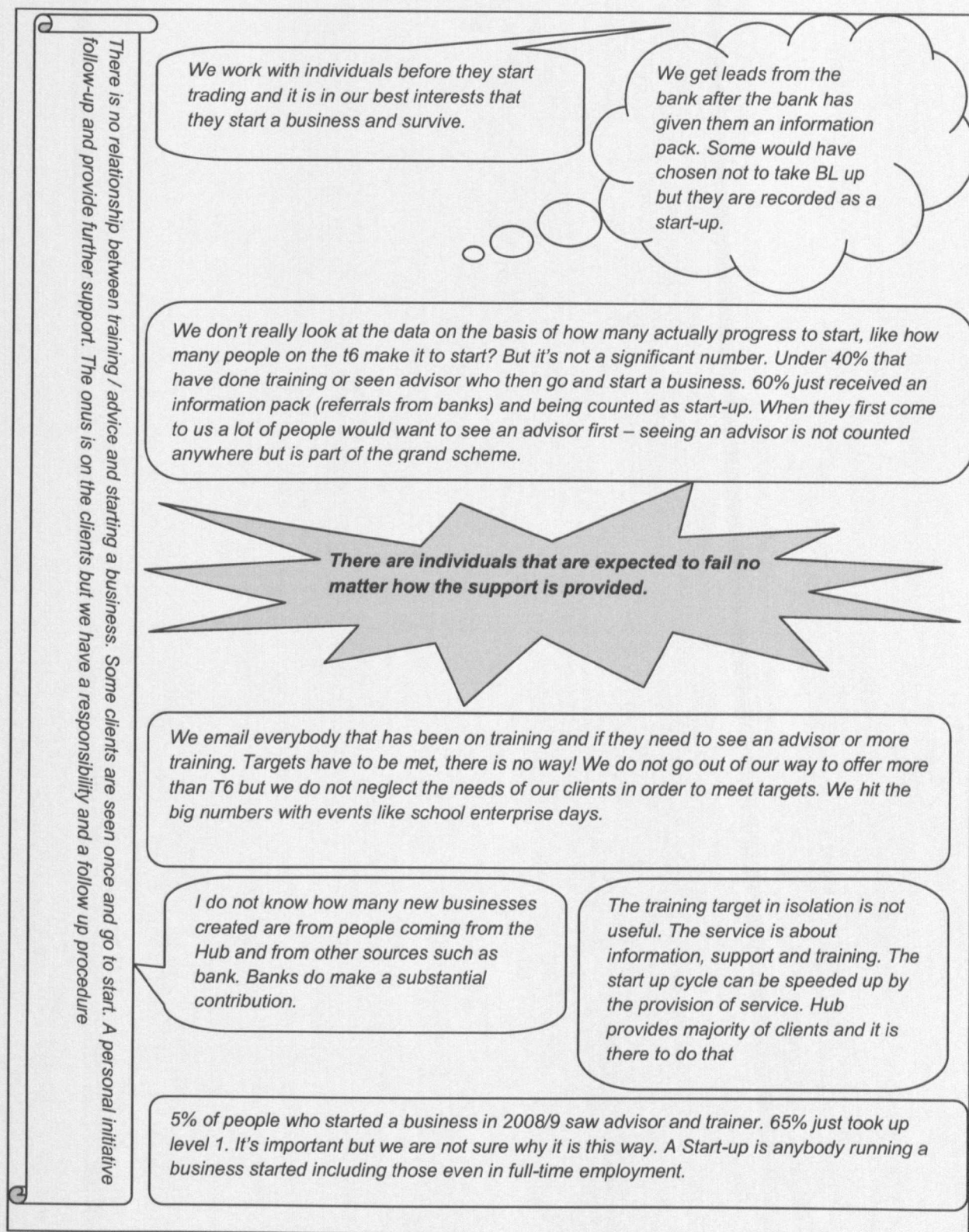
Figure 5-12 Progressive Intervention



This section will discuss how individuals were assisted to progress (if they were) from one stage to the next as described by the contract managers and service providers.

Figure 5-13 shows the interview quotations around the theme of progression and the challenges that existed arising from the contract, targets and RBSIS among other factors.

**Figure 5-13 Progression Quotes Chart**



5.19.1. Progression Quotations

*‘The customer journeys are unique as to who they meet... normally they meet an advisor, develop action plan, Start and then get a mentor. Some meet an advisor, go away and start’.*

According to Aldrich and Martinez (2001), nascent entrepreneurs go through stages of development on the road to setting up a new business. Not everyone who attempts to found a business succeeds, as discussed in Chapter 3. Some individuals are expected to fail while others succeed, which is why entrepreneurship researchers have spent time and effort to differentiate those who succeed and those that fail. The case for this study lies with building an understanding of service provision to both groups (success and failures). The discussion around government contracts in Chapter 3 enlightens the assessment of the progressive role of the BLSS programme. The short term outputs targets and reporting requirements ignored the need for progressive support of individuals from one stage to the next towards NVC. The BLCs also faced pressure to deliver on the outputs and this made ‘quick hits’ attractive. Bringing all the issues together, it is clear that progression was not supported in the structuring and reporting of the contract. The only link that existed was between businesses started and surviving the following year. However, the challenges of these measures were with the definition of businesses started and how the BLCs used their networks and partners to meet the targets even with minimal intervention (as was discussed under the three sections: the contract, targets, and networks). The BLSS system as it was designed and structured (output and outcome targets), meant that *‘what was good for the contract was not good for the client’*.

5.20. Providers Self Evaluation and Customer satisfaction

Self performance assessment has been used in performance appraisal. However, According to Campbell and Lee (1988) investigators have focused primarily on using self appraisal as supplements to or substitutes for more traditional approaches. EMDA was basically reporting from BLC reports (and RBSIS). In order to complement the reporting on BLSS the region also conducted mystery shopping and customer satisfaction surveys. The rating of both targets (mystery shopping and customer satisfaction surveys) and customer service ranged between 90-95%. One can argue that the BLSS service was exceptional. This section captures the comments from the contract managers and contractors on how the BLSS worked. Table 5-7 shows the self evaluation quotes.

Table 5-7 Self Evaluation Quotes

| Sub-Theme | Quotations                           |
|-----------|--------------------------------------|
| Overall   | BLSS is ‘not all things to all men’. |



| Sub-Theme | Quotations  |
|-----------|---|
|           | <p><i>It may sound biased but EMDA is doing a good job. EMDA tends to provide best and is a leader in business support. BLSS (2010-2013) is under tender and going forwards the service is changing.</i></p> <p><i>If we had done this discussion three years ago, I wouldn't have had a clue and without a doubt this programme has raised our confidence and we have managed to achieve as a team.</i></p> <p><i>BLSS is now working, if you had asked me two years ago I would have been in doubt. Now I can firmly say its working as it is coming to an end. It could be better if it was continuing.</i></p> <p><i>You will find in whatever you do life is imperfect: but when you take it as whole you can say they are doing well.</i></p> <p><i>We have come a long way from where we started. Flexibility has made a big difference. The relationships have been built over a long time and are becoming more comfortable.</i></p> <p><i>Penetration of Business Link as a brand and service is still 2% and needs to be improved. Government funded business support is a waste of time. There are lots of opportunities out there. BLSS is just a small proportion of what is happening out there.</i></p> <p><i>We do a really good job with all our clients but are deflected from that job by the race for numbers. There is quality checking but more can be done ... the targets are the tail wagging the dog.</i></p> <p><i>The whole programme is dictated by outputs and not only outputs but big outputs. The frustration is what proportion of these numbers did get real help, 600-700people attending training, how dare you follow up?</i></p> <p><i>We did implement a progressive following up 3/6/9 months. We just call to check on how the clients are doing.</i></p> <p><i>Promoting and building relationships had been good. We have been savvy to build all the networks and people do have confidence. In July 2008, we had not built the networks to help get our name out there. Business advisors were doing things differently, mentoring had its own logistical problems, and it was not al doom and gloom but a struggle.</i></p> |

| <b>Sub-Theme</b>                 | <b>Quotations</b>   |
|----------------------------------|---|
| <b>Customer Satisfaction</b>     | <p><i>The standard of service delivery and level of customer service is estimated to be about 91%.</i></p> <p><i>Our advisors are working towards SFEDI accreditation. EMB and EMDA mystery shopping surveys on advisors and training. The way the targets are structured means that they try to stimulate progressive development. But with all the targets you just need to chase the numbers / meet the targets.</i></p> <p><i>Very important 92% satisfaction throughout the contract. A total of 1,131 trained 6 hours. Training has worked exceptionally well. High non-attendance rate tends to be more in the city. Mentoring /chasing calls where it doesn't work delivery for C<sup>3</sup>L<sup>1</sup> we now have pilot projects for multiple access points that include the libraries and colleges. In terms of the advisors it tends to be someone asking the same questions. It is meeting the needs at some level 90% customer satisfaction from a survey.</i></p> |
| <b>Timing of Data Collection</b> | <p><i>The targets and outputs are changing with the retendering process but how it really changing it is too early to say and would not want to prejudice the tendering process.</i></p>  |

It is worth highlighting that the self evaluation is based on customer satisfaction and there is no mention of progression or proportional development of individuals. Feedback on self evaluation was dominated by discussions around the change to the new solutions for business and the anxieties it was creating. Solutions for Business was viewed by most participants as 'unnecessary' and 'expensive' in terms of creating a new learning process around the product, procedures, measures and delivery infrastructure.

### **5.21. The Future (Solutions for Business)**

The BLSS was a three year programme and after it, the Solutions for Business package would take over business support delivery. As noted earlier, the introduction of the BLSS Contract marked a significant change in business support provision. The conduct of some of the interviews coincided with the Solutions for Business tendering from a stage at which all BLCs were hopeful to get the 2010-10 contract to after the awarding of the tender which was awarded to one of the BLCs. The next section will discuss the nascent entrepreneurs' qualitative feedback on the BLSS.

It is evident from the discussion and evidence presented that the measure which focussed on service delivery of outputs and not necessarily towards the outcomes resulted in sub-optimal

delivery of the BLSS. The whole focus of the delivery was not to enable nascent entrepreneurs to complete new venture creation activities, gain human capital skills or progress to new venture creation, but to deliver on targets. The qualitative feedback was essential to capture the service providers and recipients' views on the delivery. The entrepreneurs' perspective shows on one end a general satisfaction with service while on the other limited knowledge about the BLSS package of services (or the next step in the support process). The hypodermic approach resulted in delivery to outputs and not to progress individuals. The BLSS service providers also expressed general frustration on the delivery focus towards short-term outputs. The pressure to deliver on targets was one of the key factors explaining the use of 'quick-hit' strategies and limited follow-ups. The next section is a discussion of the nascent entrepreneurs' perspective.

## **The Nascent Entrepreneur View**

### **5.22. The Nascent Entrepreneur View ('the horse's mouth version')**

This section discusses the nascent entrepreneurs' perspective on BLSS. The nascent entrepreneurs' qualitative feedback on their start-up motivations and needs and their service quality evaluation of the BLSS is discussed before the quantitative review. The service evaluation addresses NE experiences with the Hub, advisors, trainers, mentors, the website and telephone information provision, and experience of the brokerage service. The open ended questions in the survey were designed to capture the BLSS story the nascent entrepreneurs' perspective. The answers were type written and therefore easily manageable for analysis. The nascent entrepreneurs' service evaluation, motivation, and needs are analysed vis-à-vis the self evaluation, motivation and needs themes emerging from the interviews (at EMDA, EMB, and BLCs). The main aim of the qualitative analysis within the survey data was to evaluate whether the entrepreneurial development support package (BLSS) met the needs of nascent entrepreneurs and discuss the possible gaps. Survey data is also used to assess the service delivery as experienced by the nascent entrepreneurs. The survey data also helps to assess the progressive development of the individuals that have accessed support. In order to build a coherent story, the qualitative data from the survey is discussed before quantitative analysis and model development. The qualitative data in this section are responses to open ended questions in the nascent entrepreneur's survey (Section 5.23, 5.24 and 5.25).

### **5.23. Overall Rating of the BLSS**

The overall rating of BLSS was a response to the question 'Do you have any additional comments about the Business Link Start-Up Service'? The comments and feedback on this aspect were wide ranging and will be discussed within service groups (advice and mentoring, funding, training etc).

For the purpose of this analysis advisor and mentoring sessions are discussed as advisor sessions, due to the fact that NE could not separate the two in their feedback. It emerged that nascent entrepreneurs both pre-start and start-up could not separate mentors and advisors and the service feedback on the two aspects of BLSS is similarly polarised. Mentoring and business advice in entrepreneurship are suggested to reduce the learning curve in running a new a business. It proved a challenge to separate between mentoring and advice for start-ups. Service comments about advisor meetings (mentoring included) comprised positive expressions like 'very useful', 'helpful', 'valuable and much needed', 'supportive and encouraging' and negative such as 'unimpressive', 'limited real business experience' and 'limited knowledge and awareness'. There was pressure for advisors to meet more clients each day and to refer them to 'target contributing' activities' such as training. The variations in service feedback are taken as an individual experience (therefore not generalisable) and because of the nature of the service (undefined). It is expected that service delivery varies from advisor to advisor and from meeting to meeting as learnt from the providers interviews.

The comments around advisor experience and knowledge alerted the study to the possibility of allocating advisors to clients according to expertise as suggested in Chapter 5. This section clarifies the importance of matching advisor skills and nascent entrepreneurs' needs. The challenge was that RBSIS provided limited capability (if any) to assign client to advisor on the basis of expertise. The booking and support system was about numbers. The new BLSS (2007-10) had advisors from the old BL start-up provision that employed a different approach. The 'old advisors' were more coaching, searching for clients information and would transition in and out of the consultancy role. On the other hand the 'new' business advisors who had been inducted into the new IDB format were more target oriented and cautious about professional indemnity. The providers and entrepreneurs perspectives show that the simplified BLSS design intended to create standardisation and improved efficiency but continued to suffer from quality standard variations. The Business Support Simplification Programme (BSSP) intended to increase efficiency by increasing the numbers of supported



for every pound (£) spend. Issues around advisor knowledge and skills emerged in the discussion, noting that all advisors were fully-booked all days.

The mentors and advisors service offered flexibility which also made the service variable. The advisor mentor product service was designed to cater for the nascent entrepreneurs' specific needs, in situations where the advisor was 'qualified enough' to offer that service. As discussed above Table 5-8 captures the NE quotations around the BLSS Service (negative feedback highlighted). The BLSS service is generally rated as a 'good' and 'excellent' service mixed with 'unimpressive', 'irrelevant 'and 'rubbish' comments.

**Table 5-8 Do you have any additional comments about the Business Link Start-Up Service?¹**

| Service Theme                                   | Quotations   |
|---|--|
| Overall Comments                                | <p><i>The services that I have used have been very good</i></p> <p><i>The service was very good, but I was unsure of how to get a mentor</i><br/>(Awareness)</p> <p><i>Excellent service, well planned training, good structure, excellent support throughout</i></p> <p><i>Overall I think it's an excellent service.</i></p> <p><i>Excellent service, but with family commitments I am not able to utilise the full service with commitment (Flexibility and delivery)</i></p> <p><i>'Training courses were absolutely fantastic, made up for all the other rubbish parts of the Business Link service'</i></p> <p><i>I think BLSS is a valuable resource to any person/persons starting a business to understand the pitfalls as well as benefits of starting a business, training requirements etc. I had a relative visit from South Africa who was sitting on in my meeting with an advisor and he was amazed at the assistance and help we get from BLSS.</i></p> |
| Advisor (and sometimes confused with mentoring) | <p><i>Start up advisor seemed to have limited real business experience.</i></p> <p><i>Very helpful, useful, valuable and very much needed. My advisor - xxx - was very helpful &amp; encouraging. Thanks to all.</i></p> <p><i>Was particularly unimpressed with the meeting I had with a Business Advisor. He didn't follow through with any of the information that he promised me, despite me chasing him twice.</i></p> <p><i>The staff at xxx were lovely the business mentor was useless, I believe they threw him out eventually, the mentor/advisor bit... that was extremely</i></p>  |

| Service Theme | Quotations   |
|---------------|--|
|               | <p><i>frustrating....</i></p> <p><i>Well they are very supportive and encouraging and give good advice if you want to start up business.</i></p> |

The quotations above highlight issues around product reach and brand awareness. Market penetration was a key measurable target in the BLSS contract but was only relevant to the Hub, contract manager and marketing agency. The regional marketing approach and high targets created challenges for localised marketing and long-term brand building efforts. As discussed earlier, ways had to be designed to hit the numbers. In spite of the target chasing, the awareness of BLSS products remained low and were considered insignificant from an economic development perspective. In addition to BL support there were other forms of free business support in the regions provided or funded by the third sector and ERDF. The BL low awareness (2%) is being interpreted as resulting from the earlier discussions about the brand history. There was pressure for the contractors (BLCs) to extend markets and meet targets and limited scope for progressive development of supported individuals within the support structures. Nascent Entrepreneurs (NEs) were not usually aware of the services as delivered under the BLSS (Table 5-9). However, usage of the website and telephone service is low (this is discussed in later sections).

**Table 5-9 Do you have any additional comments about the Business Link Start-Up Service?<sup>2</sup>**

| Service Theme                 | Quotations  |
|-------------------------------|---|
| <b>Information /Awareness</b> | <p><i>Did not know, was not informed /advised about any of the resources available, or where to get or stay with Business Link to get support / assistance, which I would like.</i></p> <p><i>I have not yet fully used all of the programmes and resources that are available to me but expect to do so in due course. I certainly would like to do the Train to Gain course.</i></p> <p><i>I still have a way to go in my business which is growing and changing, and as yet not had the opportunity to utilize all the various programme, training or funding available but am happy to know where to go for this information.</i></p> |
| <b>Needs</b>                  | <i>I participated in the Dragons Den but the promises initially given were not</i>  |

| Service Theme | Quotations   |
|---------------|--|
|               | <p><i>fulfilled - then I got awarded the monies only for it to be retracted and then had to fight to get it re-instated - as I was successful it was intimated I should not have taken part! - actually the opposite of confidence was given when I was successful</i></p> <p><i>I got involved with BLC<sup>1</sup> through a European social fund course, we got seduced into entering a dragons den type competition and were promised computers and thousands of pounds to help businesses, hard not to feel bitter about BLC<sup>1</sup> business services as none of this was delivered and lady running project left! Also when my business experienced technical legal difficulties there was NOONE to help.</i></p> |

Qualitative service experience feedback on training (workshops) was generally positive. The feedback on one hand was 'practical', 'well thought', 'well structured' and 'useful', fantastic', and while on the other hand 'irrelevant and sometimes abstract'. Training sessions had incredible power to build peer networks and cooperation of more than fifty people per session. This was evident in the training sessions observed and the feedback from NE survey (Table 5-10).

**Table 5-10 Do you have any additional comments about the Business Link Start-Up Service?<sup>3</sup>**

| Service Theme   | Quotations  |
|-----------------|---|
| <b>Training</b> | <p><i>The training courses were absolutely fantastic. I didn't really get any help from business link however on a more positive note, the courses were great and the contacts made were good even though 70% of them fall off. It was a pleasant useful experience.</i></p> <p><i>It is ok but I found it too abstract, meaning that it did not meet my personal needs. Information tried to cover many areas.</i></p> <p><i>Training courses were absolutely fantastic...</i></p> |
| <b>Funding</b>  | <p><i>Problem attracting funding with any start-up is you have to bring a substantial amount of your own cash to the table. Attended a couple of investors presentations and they are keen to tell you of their low success rate (1:500), the level of financial commitment they want from you and their ability to walk</i></p>  |

|  |  |
|--|--|
|  | <p><i>away at any time or sell the business from under you. Decided it wasn't worth it so moved towards consultancy type operation instead.</i></p> <p><i>Not surprised at all that the funding is useless, because its a post code lottery which is not fair at all funding should not be based on where you live it should be based on what you have or earn or qualify for, people in posh areas do get income support too you know!!</i></p> |
|--|--|

Funding was limited to disadvantaged areas and described by research participants as, ‘not fair at all’ and this was mainly because it was only available for specific postcode locations. Carrying on the discussion from the providers’ perspective, the funding which was based on a ‘pay and claim’ system was considered not suitable for disadvantaged areas as nascent entrepreneurs would not have the initial money to pay for supplies or services for the business.

BLCs also got referred clients who would not pass through the Hub filter. As a discussed earlier, referred nascent entrepreneurs from JCP programmes, had to do an entrepreneurial course only to be able to continue to receive Government benefit and move on to the Flexible New Deal (FND) programme. Despite the fact that filtering at Hub level was not good in the first place, the interest of starting a venture of individuals from the Hub and those from JCP is assumed to be different. The referrals and ‘quick hits’ have been discussed in Chapter 5. The challenges of direct referrals (non-Hub) became an important theme of this research both in terms of delivery and the imminent change to solutions for business at the time of data collection. The question of NE was designed in the context of the direct referrals and to make an assessment of the impact of the recession as highlighted in the providers interviews.

### 5.24. Nascent Entrepreneur Motivation

The motivations (intrinsic or extrinsic) for starting a business are considered important in opportunity identification and subsequent venture success (Singh et al, 2008). The argument pushed by Singh et al (2008) is that entrepreneurs who make a decision to start before an opportunity arises are more likely to successful. While this is not a proposition for this study, the motivation for starting a business was worth noting for purposes of explaining related data on human capital factors. The nascent entrepreneurs survey data shows that redundancy (loss of job, long term unemployment, income supplement), the search for freedom (control of working hours, doing something for ones self), and industry experience (possession of skills and work experience) were the key themes around motivating individuals intending to start own business. The BLSS contract 2007-10 coincided with the

global credit crises and the recession that followed in the UK. Redundancy (real or feared) was an expected push factor as unemployment figures continued to rise. The importance of understanding the motivation for wanting to start a business is to help define the individuals need and provision of specific support. It was noted from the observation of advisor sessions and interviews that a high number of individuals needed confidence support and assurance. Most individuals in this study were facing redundancy or had been unemployed. In this survey, only a few individuals that responded stated that they were that they wanted to start a business to pursue their dreams or using their developed technical skills to create new ventures. Business idea development, coaching, and consultancy were therefore important, noting that the economy was pushing individuals into self employment

Table 5-11 lists the key themes and important quotations around motivation. It is clear that the most important were factors to do with the economic situation (redundancy and unemployment being the most common reasons).

**Table 5-11: What made you think of starting a business?**

| Theme                               | Nascent Entrepreneur Quotes in Response to Question:<br>What made you think of starting a business? (each sentence represents a participant)  |
|-------------------------------------|---|
| Economic<br>Climate /<br>Redundancy | <p><i>economic climate and not being able to break into my industry</i></p> <p><i>Redundancy, being my own boss, enjoyed the work I was entering</i></p> <p><i>Redundancy, Redundancy, Redundancy, Redundancy - for the 8th time!</i></p> <p><i>potential redundancy</i></p> <p><i>Made redundant and thought I would look for an opportunity</i></p> <p><i>Made redundant</i></p> <p><i>Made redundant. Jobs available meant lots of travelling and long hours</i></p> <p><i>Made redundant</i></p> <p><i>Was made redundant used my skills for something else</i></p> <p><i>I was made redundant in 2008 and knew that I would make a success of my own business.</i></p> <p><i>I was made redundant and realised pretty quickly that I was not going to find it easy to get another job so to start my own business was the best option</i></p> <p><i>I had been made redundant and it was suggested by a friend</i></p> <p><i>work life balance / made redundant</i></p> <p><i>economical climate, I am off recruitment so when made redundant decided instead of registering with an agency I could do it myself, call and</i></p> |

|   |  |
|---|--|
| <b>Theme</b>  | <b>Nascent Entrepreneur Quotes in Response to Question:</b><br><b>What made you think of starting a business?</b> (each sentence represents a participant)   |
|   | <i>deal and work for clients directly but because I am of corporate commercial recruitment it has to be done very professionally and that takes money</i><br><i>I had always wanted to work for myself, and after having been made redundant, I took the decision of setting up on my own. It was the opportunity I really needed.</i><br><i>The recession in the automotive industry. Since nobody was recruiting I thought I should try working from the outside.</i><br><i>I have been out of employment since April 2009 and having little joy with my job applications in a fiercely competitive and saturated job market, I am looking at self-employment.</i><br><i>Economic downturn, promote my skill set as a registered auditor to the local community on a contractual basis and thereby gain extensive exposure to SME's.</i><br><i>Returning to run someone else's business after maternity leave was not interesting enough and I needed a new challenge.</i> |
| <b>Unemployment and Income supplement</b>                                 | <i>Unemployed senior manager over 50 got about as much chance of getting full time employment again as pigs flying!</i><br><i>Being unemployed for over 2 years!</i><br><i>Long term unemployed and unable to obtain full time employment.</i><br><i>Put to use training I received and increase income.</i>   |
| <b>Other (Industry Experience, passion, job satisfaction, retirement)</b> | <i>I could not find the right role for me at my age and also travelling was difficult with my injuries</i><br><i>Wanting to work for myself and to train others in the business</i><br><i>Experience in previous role enabled me to use transferrable skills</i><br><i>Wanted to do what I love.</i><br><i>disillusioned with old job and would rather work for myself</i><br><i>a moment of complete madness</i><br><i>Early retirement from previous work; needed a modest income to supplement pension and to keep involved</i>   |

This study did not categorise feedback by motivation (either as internally motivated or externally driven, Singh et al, 2008) however, the analysis of the data above shows that

redundancy and unemployment were the main drivers for this group on nascent entrepreneurs in considering self employment.

**5.25. Nascent Entrepreneurs Needs**

This section discusses the ‘unmet’ needs of nascent entrepreneurs which are an essential component in the development of a nascent entrepreneur based solution to start-up support. The needs of the nascent entrepreneurs are central to an evaluation study on the BLSS. This section is a discussion of the NE of needs from an entrepreneur’s perspective. This is important to match with the view and essential for evaluating the service gap (if any). The interview data with the advisors shows that funding is an important aspect of support however, at ‘strategic level’ there are doubts on whether the demand for funding is real or just an expectation. Table 5-13 shows the themes around additional needs of nascent entrepreneurs. The themes around needs relate to: confidence, advice, employment issues, business plan, marketing support, practical business assistance, tax and legal, finance / funding, flexibility and follow-up, premises / work space, social / voluntary projects, ongoing support, mentoring, networking, and skills and training. This confirms that funding topical in entrepreneurial support.

**Table 5-12 Please indicate if there is any other support you still need from Business Link Start-up?**

| Theme                       | Nascent Entrepreneur Quotations   |
|-----------------------------|---|
| Confidence<br>and<br>Advice | <i>support and confidence build...for sustainable business</i><br><i>advice on exporting idea/licensing</i><br><i>will revisit for additional business advice</i><br><i>General support – I have not had any contact from BL since first advice meeting.</i><br><i>one to one support</i> |

| Theme  | Nascent Entrepreneur Quotations   |
|--|---|
| <b>Practical</b><br><b>Business</b><br><b>Assistance</b><br><b>Employment</b><br><b>Issues</b><br><b>Business Plan</b><br><b>Marketing</b><br><b>Support</b><br><b>Other</b><br><b>Tax and Legal</b> | <i>employment issues</i><br><i>advice on exporting idea/licensing</i><br><i>High Growth Support</i><br><i>business growth</i><br><i>new business plan/growth</i><br><i>Access to further education Institutions to acquire more business</i><br><i>Raise awareness</i><br><i>Web design as I need to develop a website to sell/advertise my goods and services</i><br><i>a factual guideline or working guide to a specific business idea</i><br><i>Franchising prospects for my business model</i><br><i>help with advertising</i><br><i>E-Marketing to promote business</i><br><i>Networking cross borders</i><br><i>Understand registration process to recognised bodies</i> |
| <b>Finance /</b><br><b>Funding</b>   | <i>finance</i><br><i>finance</i><br><i>I would like to access finance / loan etc. to finance a project</i><br><i>More in depth understanding of finances</i><br><i>Get financial support</i><br><i>will need further financial assistance/ advise about premises</i><br><i>with me its all about funding as I am on benefits but nowhere can I get any financial support</i><br><i>Access funding and support to start a community project</i><br><i>business funding</i><br><i>help with funding</i><br><i>help to access funding/investment</i><br><i>info on grants</i>  |



| Theme                              | Nascent Entrepreneur Quotations   |
|------------------------------------|---|
| <b>Other:</b>                      | <i>I would love to see a different advisor who showed some interest</i>   |
| <b>Flexibility and Follow-up</b>   | <i>General support - not had any contact from BL since first advice meeting support in finding work space</i>   |
| <b>Premises / Work Space</b>       | <i>how to run a voluntary but funded project</i><br><i>More training in fundraising.</i>  |
| <b>Social / Voluntary Projects</b> | <i>Ongoing Marketing support</i><br><i>Ongoing Networking support</i><br><i>Ongoing and updated training</i>  |
| <b>Ongoing Support</b>             | <i>On Going support via a mentor</i><br><i>on going help after the start up for 1st year</i>  |
| <b>Mentoring</b>                   | <i>mentor</i>   |
| <b>Networking</b>                  | <i>Mentor - feel that it would be invaluable</i><br><i>mentor</i><br><i>A Mentor</i><br><i>Need to find a new mentor now that xxx has moved on</i><br><i>On Going support via a mentor</i><br><i>Have access to a business mentor</i><br><i>case studies</i><br><i>Networking with others in new businesses</i> |

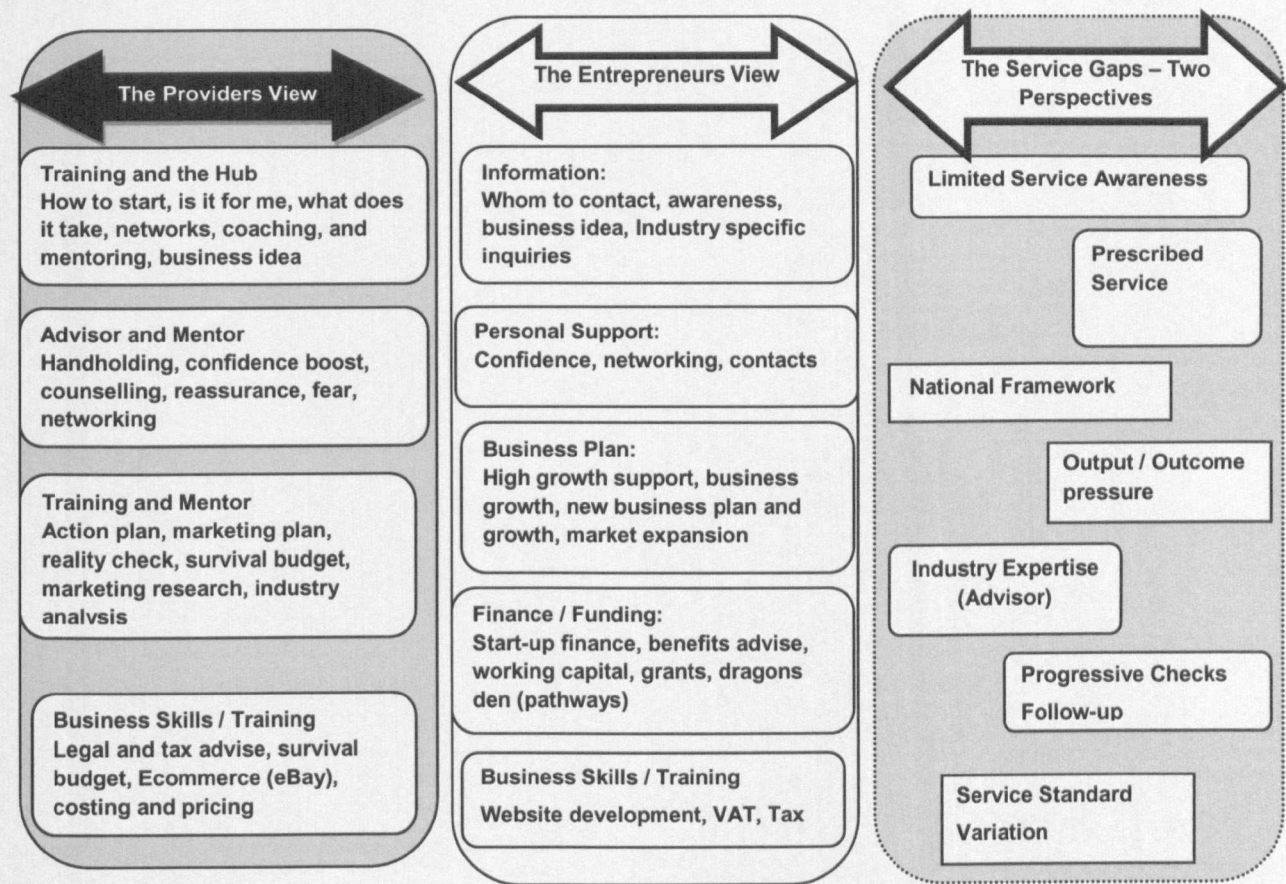
The most important limitation of BLSS was the exclusion of start-up finance as part of the business support solution in view of the credit crunch and market failures in access to funding.

### 5.26. Qualitative Data Summation and Link-back to Literature

The main qualitative data analysis in this chapter show that the BLSS service was intended to support the creation of new jobs in the form of self employment or additional hiring in new ventures. However, the design of the BLSS contract was such that enablers (training, advice, and mentoring) weighed equally as the outcomes (new businesses started, business growth and survival, and jobs created) and pushed BLC delivery towards short-term output measures. The needs of the nascent entrepreneurs were expected to be met within the predesigned structures that offered structure through the Hub, training and website and flexibility through the advisor (mentoring) sessions. As noted above, the BLSS was rated as both ‘excellent’, ‘good’ etc and sometimes ‘not relevant to the audience’ and ‘the advisors lacking expertise in a particular industry’. This shows that some aspects of BLSS worked for

some people. However with satisfaction rating above 90% one would assume the BLSS was an excellent service with minor hitches in its delivery. However, this is not supported by the qualitative study. Figure 5-14 summarises the gaps arising in the delivery of BLSS.

**Figure 5-14 Service Vs. Entrepreneur Needs Gap**



The participants had low service awareness. The limited awareness about products and services could be interpreted as low brand awareness and also linked to the negative perception as discussed earlier (Section (theme) 5.9). The lack of awareness also extends to the participants choice of service. The product lacked customisation in delivery and communication, and sometimes advisors lacked expertise. The RBSIS provided limited follow-up and the service delivery was varied. These are key themes in the discussions of the service gap.

The analysis of qualitative data from both providers and nascent entrepreneurs shows consensus in the understanding of nascent entrepreneur needs which include funding. the same data also shows the contractors limited capacity for follow-through to ensure individual progress from one stage to another. Previous studies note the importance of human capital factors, completion of new venture creation activities and entrepreneur development stages in new venture creation. Summing it all, the BLSS was designed as a balance between

standardisation and flexibility. The balance deeply built into the product and services on offer. However the contract, the outputs and the pressure to deliver shifted BLCs focus from delivery to meet individual needs to increase service utilisation, especially in training. The customer journey designed for the programme became irrelevant. The NE needs had to fit within the defined BLSS service target demands as the recession worsened with the banks not lending. It is on the back of these factors (delivery, service standard, output pressure) that it was essential to progress this study further to a quantitative survey to explore the relationship between human capital factors, BLSS services and individuals entrepreneurial statuses (end up creating or not creating a new venture).

A number of aspects of the BLSS were dysfunctional for both the providers and recipients of service. The regional Hub was designed to help signpost and direct people to relevant support was dysfunctional. The BLCs also did local marketing (rendering the Hub irrelevant sometimes) increased the chance of individual nascent entrepreneurs receiving a service they may have not needed and vice versa. The next sections will discuss the survey design, administration and analysis.

## **5.27. Conclusion**

The theme central to the qualitative feedback is the limited capacity of the progression of individuals from one stage to another. Other themes on the Business Link brand and history, the BLSS contract, and RBSIS were some of the key themes emerging from the study. As noted earlier the BLSS contract delivery went through phases:

- At the start of the contract (up to one year) the contractors were chasing the targets (due to the delayed contract signing) and the results were suboptimal.
- In the middle (from one to two and a half years) the contractors learnt the art of hitting targets with minimal effort through the use of partnerships
- Over the final contract days (half year) the pressure for targets had eased and BLC's could venture out to focus and reach to other market segments. Time and money was invested to get the BLSS working, but after three years it was time to change.

The BLSS programme was a well thought, well structured and product designed to meet the needs of the nascent entrepreneur. The mix of BLSS products and services (standard and flexible packages) was expected to deliver and meet the general and unique needs of each nascent entrepreneur wanting to start a business. However, the delivery and contract measures failed to take into account the ultimate objectives in the service provision at Level 1, 2 and 3 which is to progress individuals towards creating new ventures. This deficiency was exasperated by the contractual output targets that accompanied the BLSS programme which made it challenging for the service providers to focus on meeting the needs of nascent

entrepreneurs. At this stage an answer to the question 'did BLSS work' the answer would be 'yes and no'. Yes, it achieved the reported numbers and no because it was suboptimal in focussing on progression.

EMDA reported consistent outputs and outcomes for the 2007-10 programme; however the assessment of these reports is better viewed in context and supported by detailed analysis and profile of participants (Chapter 6). The qualitative data in this chapter give a rich understanding of the BLSS context and strengthens the case to of a qualitative-quantitative data approach. The difference between Chapter 2 (Context and Background) and Chapter 5 (qualitative data analysis at level I and II) clearly shows the value of carrying out the qualitative research. This study begins its analysis from a position where the EMDA BLSS reports show the high numbers of people supported and 95% customer satisfaction ratings. The analysis then brings out the context that shows that the BLSS product was just a part of a larger context of business support contracts, outputs and other dynamics. The emerging themes were a nexus of factors that influenced delivery from many different angles. The BLSS was the product with clearly defined commercial objective and a hazy socio-economic agenda driven by a dysfunctional contract. EMDA and EMB were under immense pressure to deliver on their start-up programme and this was exerted on the BLCs in all the counties. The BLCs faced immediate pressure to deliver on the targets they had set for themselves during the competitive tendering process and to find ways to keep the contract. The targets were too stretching and to a larger extent caused a shift in delivering process, altered the customer journeys and caused the BLSS system to dysfunction through-out the life of the contract. Other possible measures of BLSS performance could include entrepreneurship awareness, BLSS role in network building capacity, and impact on individuals who could not start within the 3 year life of the BLSS (progress, activities and human capital development) etc.

Public service organisations continue to face challenges regarding measuring outcomes and managing for results demonstrating fiscal and programmatic accountability, and outcomes for continuous program improvement (Dewa, Horgan, Russell and Keats, 2001; McLaughlin & Jordan, 1999). The literature examining the design of optimal contract monitoring and performance measurement arrangement indicates that it is contingent upon multiple factors. When outcome measurability is high, governments tend to rely on "monitoring by proxy" (i.e. by other parties), whereas low measurability and high asset specificity are associated with direct monitoring (Brown and Potoski 2006). The BLSS contract was highly measurable and the achievement of targets was key. Less focus on outputs might have seen a greater

emphasis on achieving social objectives in contrast to commercial objectives. One can argue that the competitive tendering “paranoia” may have taken governments away from the real objectives of social obligation and maximizing net social benefit per pound (GBP) invested, as recognised by Preston (2007), to a disproportionate over-zealous focus on cost containment and reduction. Chapter 5 has shown that the delivery and reporting of targets for the BLSS was not about progressing individuals from one stage to another. The qualitative analysis shows the BLSS failures in progressive intervention to support the completion of new venture creation activities, boost human capital and individual development towards setting up a new venture. The next chapter is a quantitative study which progresses the study to capture the nascent entrepreneurs view on the service and explore the relationship of support vs. activities and new venture creation.

## **Chapter 6: SURVEY DATA ANALYSIS (Level III)**

### **6.1. Introduction and Chapter Plan**

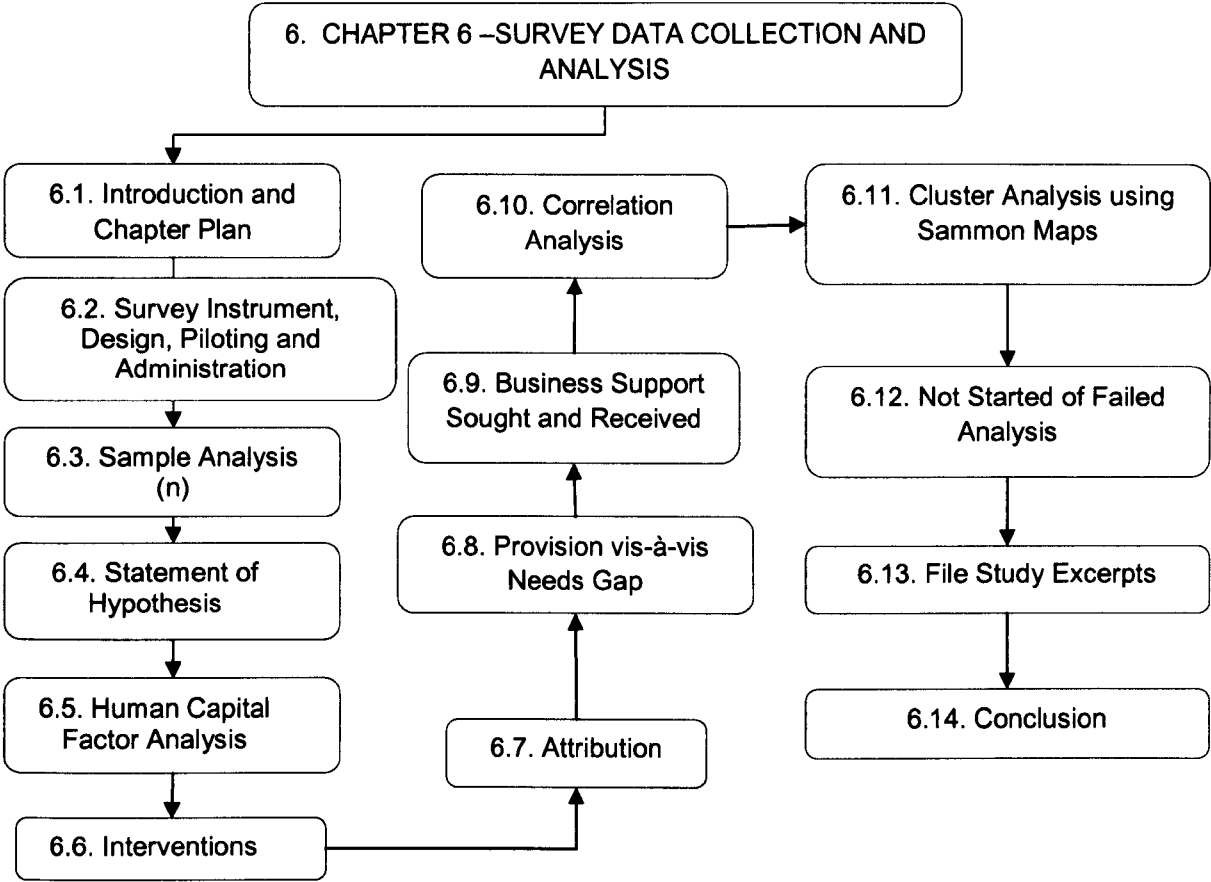
This chapter begins with an introduction and recap of the previous chapter's context that is relevant to the analysis and interpretation of the survey data. The chapter then presents an analysis of the quantitative data and details the construction, testing, and administration of the survey instrument. The qualitative data presented and discussed in Chapter 5 raises a number of issues around the needs of nascent entrepreneurs which, according to the BLSS service providers, are mainly: confidence (self esteem), self efficacy, funding, business skills, tax and legal advice, and networks.

The discussion in chapter 5 covers issues around the delivery of BLSS support in the East Midlands and presents evidence of number / output target chasing. The design of the BLSS programme by levels (1, 2 and 3) of intervention captures the essence of progressive support towards providing a solution to meet nascent entrepreneur needs. As noted earlier the BLSS delivery approach as designed by intervention levels 1, 2 and 3 of BLSS design could fulfil individual nascent entrepreneur needs (except for start-up funding which was not part of the BLSS provision). However, the applicable output and outcome targets for the BLSS provision did not support a progressive approach to BLSS service delivery and intervention levels hence the needs of nascent entrepreneurs were largely unfulfilled. The need to progress individuals from one stage to another (pre-start, nascent to start-up) or enable them to complete new venture creation activities, as discussed in the literature review (Aldrich and Martinez 2001 and Carter et al 2006), was not built-in to the BLSS delivery and measures.

The quantitative analysis (Chapter 6) follows on the themes from the qualitative analysis to build an understanding of the demographic profile of supported individuals (age, gender, work experience, previous entrepreneurial experience etc) their service experiences, stage of enterprise development, activity completion and outcome (new venture created, still trying or given-up). The output game-playing discussed in Chapter 5 required further detailed analysis of BLSS programme participants to discuss biases (if any) in delivery that could have been created by the contract and delivery dysfunction.

This chapter is the second part of data analyses and focuses on the analysis survey data and corroboration of the two data sets. Figure 6-1 shows the chapter plan.

Figure 6-1 Chapter 6 – Layout



It was evident from the interview data that the BLSS delivery system was not about how many individuals progress from pre-start to start-up, it was about meeting the separate ‘silo’ structured targets. The pressure to deliver on targets drove BLCs to develop survival networks for ‘quick and dirty’ outputs.

6.2. Survey Instrument, Design, Piloting and Administration

The survey instrument was designed along the lines of the SBA survey on entrepreneur development as already stated in Chapter 4 (Section 4.7). Changes were made to make the questionnaire applicable to the study and the context of the research. Both the SBA questionnaire and the questionnaire for this study are in the appendices (see appendix A15/16). The survey was piloted between February and March 2010 with students from the BA Entrepreneurship module. Changes were made to the questions in terms of wording, order, and dynamic paging was applied to make the questionnaire easy to complete. The questionnaire consisted of 29 questions with some of them compulsory. The questionnaire allowed respondents who had answered some earlier questions in a specific way to be required to answer or skip other questions. The survey was emailed through Webropol to

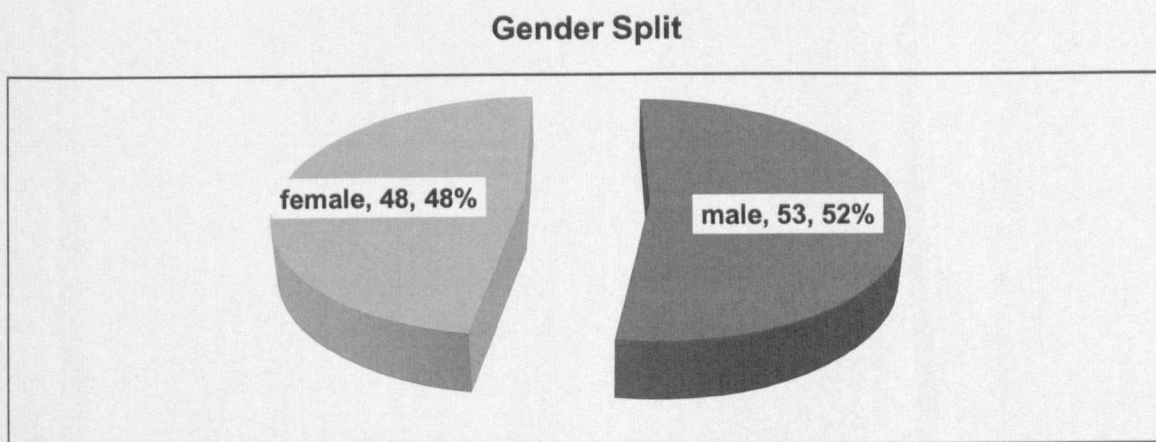


1000 respondents (500 males and 500 females). A total of 105 participants responded to the study, a response rate of about 10% (there were 260 undelivered emails).

### 6.3. Data Analysis (Sample $n=105$ )

105 participants responded of which 53 (52%) were male while 48 (48%) were female. There were 5 males more than there were women and out of a sample of 105 which is not significant. RBSIS data for BLC<sup>1</sup> (2009-10) shows that fewer males (41.50%) than females (58.50%) received training. The 2007-8 training data shows that there were more males (54%) than females (46%). The sample is considered representative as it balances out the annual fluctuations in gender representation. The gender balance is essential as it could have a significant impact on the results since gender comparison constitutes one of the important dimensions to this analysis. Figure 6-2 presents the gender distribution of the sample.

**Figure 6-2: Gender Balance**



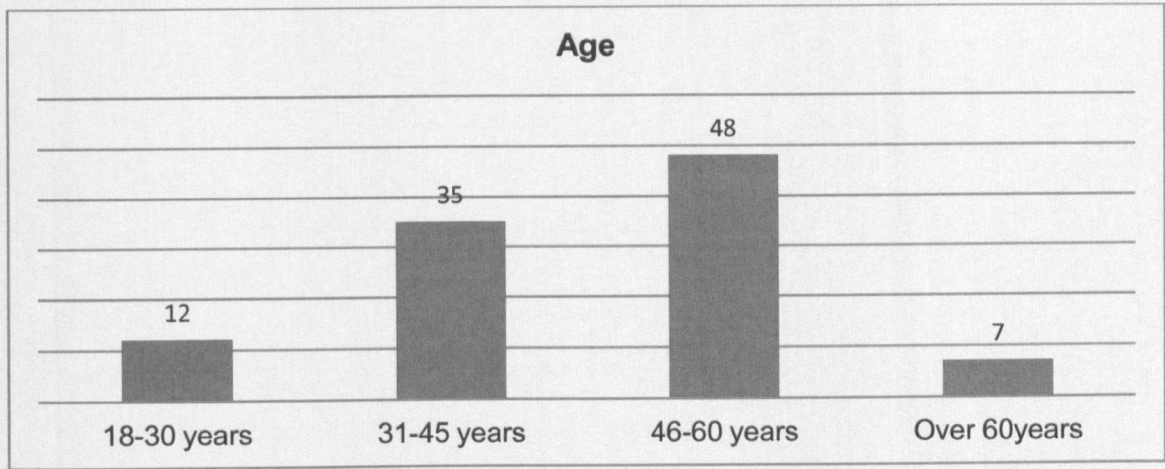
The impact of gender on the ability of individuals to start a new business has been researched extensively in entrepreneurship literature (e.g. Wagner, 2007) and concluded that men are more likely to start and grow enterprises. A major pattern found in the Global Entrepreneurship Monitor (GEM) is that men are on average more than twice as active in entrepreneurship as women (Reynolds et al. 2001; Minniti and Arenius, 2003). Another important demographic factor of this sample is age distribution.

According to Delmar and Davidsson (2003) age is a key discriminator of start-up and subsequent venture success. In their USA study, Delmar and Davidsson, (2003) concluded that individuals between the age of 35 and 44 years are more entrepreneurially active compared to those younger or older. The age ranges for this study (18-30, 31-45 etc) were designed to suit the UK business support environment where individuals below the age of 30



are considered as youth and can access business support for young people from the third sector (e.g. Prince's Trust). The sample population age distribution was simplified, by enlarging age ranges, to ensure that a few people would opt out of answering as evident on the RBSIS data. RBSIS data (2009) shows the age distribution of the population as: ≤30 years, 40%; 30-40years, 13.45%; 41-50 years, 14.57%; 51-60 years, 10.36%; 60years+ 1.12; and Not known, 20.45%). The age classification for this study was different from the RBSIS classification. Figure 6-3 shows the age distribution of the sample.

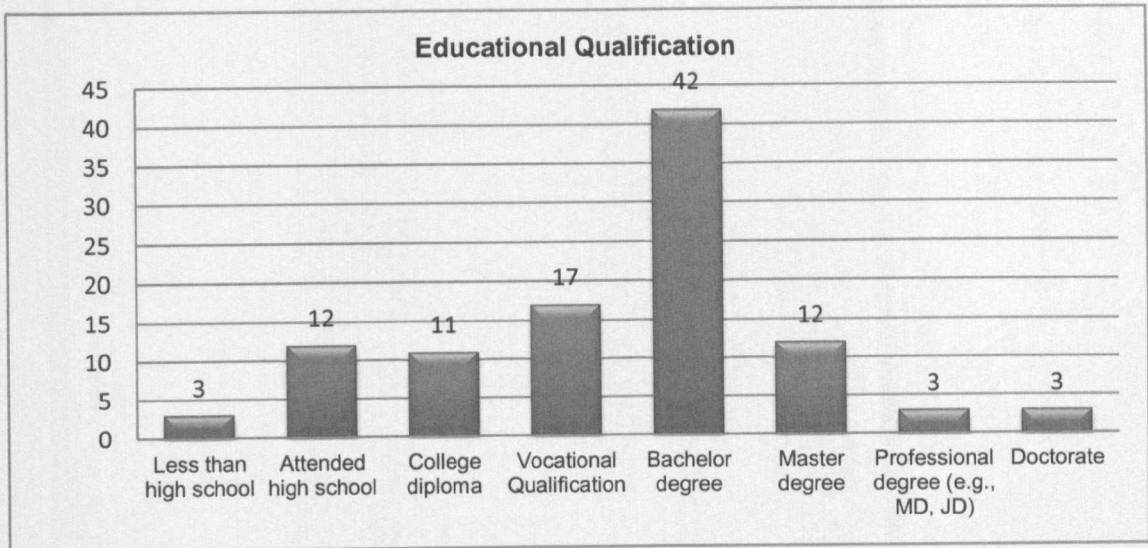
**Figure 6-3 Sample Age Distribution**



A total of 102 out of 105 participants responded to the question and only three (3) opted out. 48 of the participants were between the ages of 46 to 60 years. The next section looks at the education qualifications of participants.

Education is another important aspect of human capital that has been the subject of research which is relevant to this study. The role and importance of education in the creation of and survival of new firms has been argued from an opportunity discovery and exploitation perspective (Shane, 2000 and Ardichvili et al. 2003). To a larger extent education is argued to contribute to prior knowledge, is a source of information and also increases the ability to appraise opportunities. RBSIS had no education profiling data on RBSIS to benchmark the sample to, and instead the ONS data for the region was used (East Midlands population with NVQ3\* = 42.7%, above 2 'A' level passes). Figure 6-4 shows the sample distribution by education.

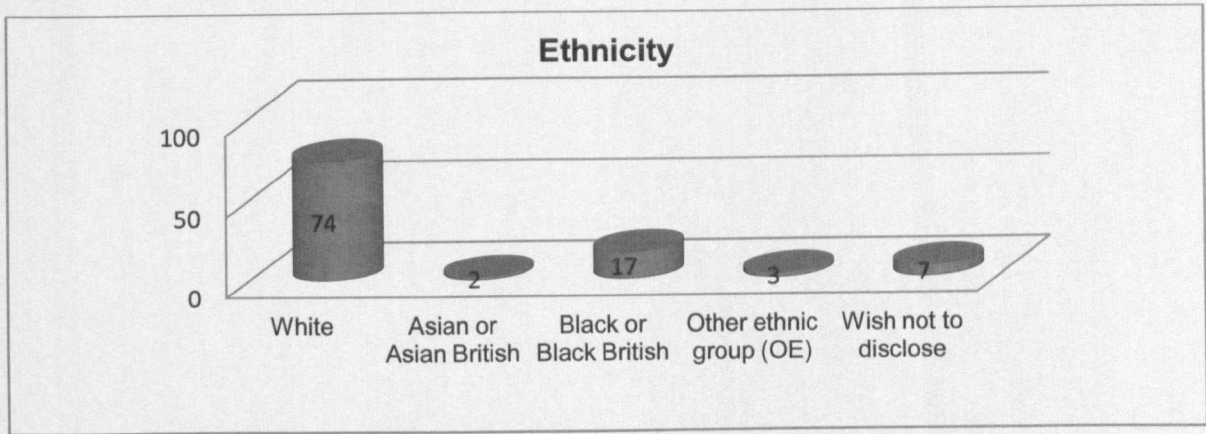
**Figure 6-4 Educational Qualifications**



The sample had a higher proportion of highly qualified individuals with 57% holding degree or a higher qualification.

Ethnic or minority group research in entrepreneurship has received huge research interest and has retained its position in literature over the years (see Figure 3-12, adapted from Cornelius et al (2006). Out of a sample of 105 participants, 103 responded to the question on ethnicity and Figure 6-5 shows the breakdown.

**Figure 6-5 Ethnic Background**



74 out of 103 participants are White British and they make the majority of the BLSS participants. 17 of the participants classified themselves as Black British while the other five (5) were either Asian (2) or belonged to another ethnic group (3). Seven of the participants did not disclose. The sample ethnic distribution acknowledges the context or population mix of the East Midlands region. While the data is representative comparisons across minorities are constrained since the numbers are spread too thin for generalisation. The next section presents an analysis of the work experience profile of the sample of participants.



Out of the 103 participants who responded to the work experience question, 87 nascent entrepreneurs had over 10 years working experience (Figure 6-6). This sample shows that there was a bias towards the more experienced populations.

**Figure 6-6: Work Experience**

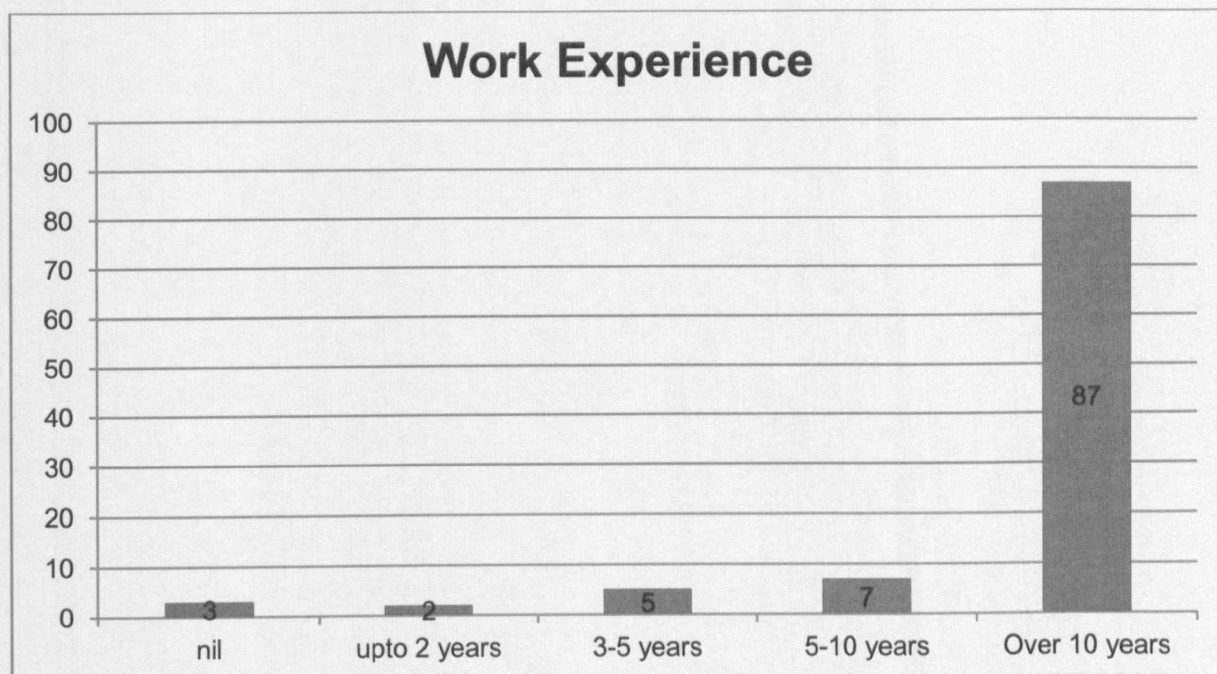
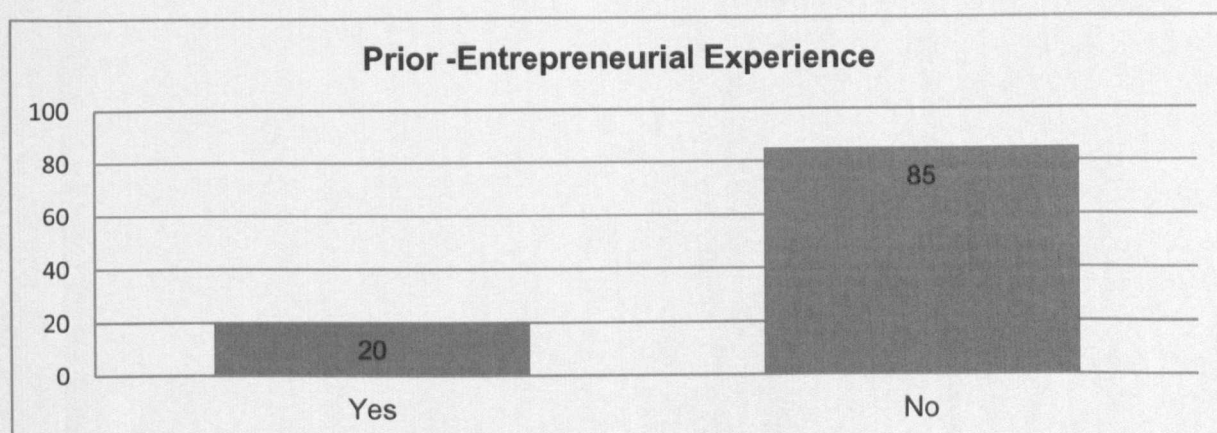


Figure 6-7 shows that twenty (20) of the participants had entrepreneurial experience. The twenty had started a business before accessing BLSS support.

**Figure 6-7: Entrepreneurial Experience**



The work experience and prior further demonstrate a bias in delivery of BLSS to individuals who could start new businesses without government funded support. The next section outlines the hypothesis for this study.

## **6.4. Statement of Hypotheses**

The qualitative study (discussed in chapter 5) combined with the sample analysis above lead into the development of hypothesis for the quantitative study. The adoption of these two research methods (qualitative and quantitative) into the same subject, according to Neergaard and Uihøi (2007), can pave the way for new inspiration and insight. The decision to use mixed method approach was to incorporate the day to day output measures and context of BLSS. The context of the BLSS was essential to gain meaning and relevance of the numbers. The regional business development support system provided information, training, and education to nascent entrepreneurs. This section looks at about human capital factors (entrepreneurial experience, age, gender, work experience, education, stage of entrepreneurial development, and start-up activities completed pre-support), interventions (amount of service, quality of service, type of service) vis-à-vis outcomes (new businesses started, stage of entrepreneurial development, start-up activities completed, and expected start date) of new venture creation.

Below is a statement of the hypotheses.

- H1. More male entrepreneurs manage to start a business than their female counterparts.
- H2. More nascent entrepreneurs aged between 31-45 years manage to start a business than their younger and older peers.
- H3. More nascent entrepreneurs with a bachelor's degree manage to start a business than their peers without lower qualifications.
- H4. More nascent entrepreneurs with over ten (10) years work experience manage to start a business than their peers without prior work experience.
- H5. More nascent entrepreneurs with previous entrepreneurial experience (started a business before) manage to start a business than their peers without entrepreneurial experience.
- H6. More nascent entrepreneurs who complete start-up activities before accessing support manage to start a business than their peers who do not.
- H7. All BLSS supported nascent entrepreneurs manage to start a business
- H8. More nascent entrepreneurs that receive more than six (6) hours of training support manage to start a business than their peers who receive less.
- H9. More nascent entrepreneurs that utilise more than one (1) hour of website support manage to start a business than their peers who use less.
- H10. More nascent entrepreneurs that utilise more than one (1) hour of website support manage to start a business than their peers who use less.
- H11. More nascent entrepreneurs that receive between two (2) and five (5) hours of advice support manage to start a business than their peers who receive less.

Outputs of this analysis are a critical component for the development of the ideal entrepreneurial support model. The analysis will focus on the creation of new ventures which is one possible (desirable) outcome of entrepreneurial support. The flow of analysis is: human capital factors, interventions, and outcomes. The next section will look at human capital factors: gender, age, education, entrepreneurial experience, work experience and stage of entrepreneur development and their relationship with new venture creation.

6.5. Human Capital Factor Analysis

6.5.1. Gender

(*H<sub>1</sub>: More male entrepreneurs manage to start a business than their female counterparts*). There were more females, 28 out of 48 (58%), who managed to start a business compared to males, 27 out of 53 (50.94%) as shown in Table 6-1.

Table 6-1: Gender and Staring a New Business

| Gender   |       |             |                    | Male           | Female         |
|--|-------|-------------|--------------------|----------------|----------------|
| Have you started a new business since getting start-up support?: Yes |       |             |                    | 27<br>(50.94%) | 28<br>(58.33%) |
| Have you started a new business since getting start-up support?: No  |       |             |                    | 26<br>(49.06%) | 20<br>(41.67%) |
| Variable   | count | Mode        | standard deviation |                |                |
| Gender   | 101   | Female (28) | 0.502              |                |                |

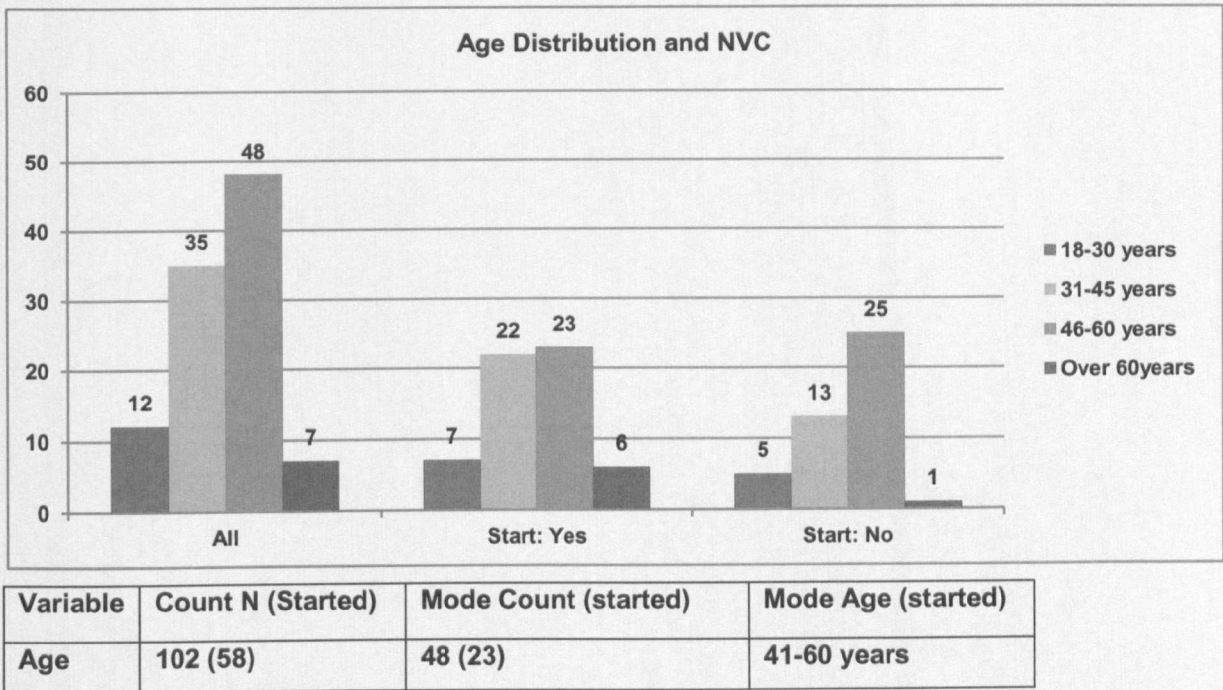
These results do not support literature in the developed world which broadly argues that men are more active than women in entrepreneurship (Table 6-1). The difference between the two gender group is insignificant (27 males and 27 females). Women are considered as less likely to start for religious, cultural, family and social factors that hinder women from entering into business (Delmar and Davidsson, 2003). This variation with existing literature could be explained by the fact in counties C<sup>1</sup> and C<sup>3</sup> there were women specific programmes to promote female entrepreneurial awareness. Events such as Women Inspiration Network Event (WINE) in C<sup>3</sup>, Saturday training, and Helping Women Link with Business in C<sup>1</sup> were designed to boost female participation. Decision: Reject hypothesis. The balanced position is not in line with literature and evidence of specific support.

6.5.2. Age

(*H<sub>2</sub>: More nascent entrepreneurs between the ages of 31-45 years manage to start a business than their peers younger and older*).

Figure 6-8 shows the age distribution for, all participants, those who managed to start and those who have not set up new businesses. The 46-60 years age group contributed the highest number new business started and no new business started. This is closely related to the age proportions in the sample population (n).

**Figure 6-8 Age and NVC**



In absolute terms more (23) individuals between the age of 46-60 years managed to start a business compared their peers in the 31-45 years (22) category. In view of the economic situation, it is possible to conclude that the age group 46-60 years could have suffered from a higher number of redundancies and considering their age, the chance of re-entering the employment market was low. However, proportionally, 62% of individuals between the ages of 31-45 years managed to start a business compared to 52% of those over 46 years, and 50% for the below 30 years age group. Such variations between age groups are explained by Delmar and Davidson (2003) on the basis of a higher risk taking propensity of young adults (31-45 years). A higher proportion of individuals out of the 31-45 years age group managed to start a business. Decision: Accept hypothesis.

### 6.5.3. Educational Qualifications

*(H<sub>3</sub>: More nascent entrepreneurs with a bachelor's degree manage to start a business than their peers with lower qualifications).*

In absolute and proportional terms individuals educated who hold a bachelors' degree started the most businesses. 45% of the people who managed to start held a Bachelors degree and

16% held masters qualifications. 81% of bachelors' degree holders set up a business which is the highest proportion across all qualification level. The masters' degree qualified group comes second with 75% of masters' degree holders managing to start (Table 6-2).

Table 6-2 Educational Qualifications and NVC

| Education Level                    | Started Yes | Started No |
|------------------------------------|-------------|------------|
| Less than high school              | 1           | 2          |
| Attended high school               | 6           | 6          |
| College diploma                    | 6           | 5          |
| Vocational Qualification           | 7           | 10         |
| Bachelors degree                   | 26          | 16         |
| Masters degree                     | 9           | 3          |
| Professional degree (e.g., MD, JD) | 2           | 1          |
| Doctorate                          | 1           | 2          |

|   |                 |            |                  |
|---|-----------------|------------|------------------|
| Variable  | Count (Started) | Mode Count | Mode             |
| What is the highest level of education you have attained? | 104 (58)        | 42 (26)    | Bachelors Degree |

Decision: Accept hypothesis.

6.5.4. Prior Work Experience

(*H<sub>4</sub>: More nascent entrepreneurs with more than ten years working experience manage to start a business than their peers without prior work experience*).

The highest absolute numbers of start-ups were created by individuals who had over 10 years experience (49, 47%) as shown in table 6-3.

Table 6-3: Work Experience and NVC

| Work Experience | Yes | No |
|-----------------|-----|----|
| None            | 1   | 2  |
| Up to 2 years   | 0   | 2  |
| 3-5 years       | 4   | 1  |
| 6-10 years      | 4   | 3  |
| Over 10 years   | 49  | 38 |

|   |                 |                      |                      |           |
|---|-----------------|----------------------|----------------------|-----------|
| Variables                                   | Count (Started) | Mean Work Experience | Mode Count (Started) | Mode      |
| How many years work experience do you have? | 104 (58)        | +10 years            | 87 (49)              | +10 years |



Based on the sample, the decision is to accept the hypothesis and conclude that more people with over ten years work experience managed to start a business. This is also linked to how nascent entrepreneurs were ‘recruited’ on to the BLSS with some individuals, as discussed in Chapter 5 under networks and partnerships and the numbers themes, opening business accounts being given a BLSS flier by their bank manager.

### 6.5.5. Entrepreneurial Experience

(*H<sub>5</sub>: More nascent entrepreneurs with previous entrepreneurial experience manage to start a business than their peers without entrepreneurial experience*).

The question, ‘At what stage of starting a business were you when you contacted the BLSS?’ captured the stage of development before accessing support while the question ‘At what stage of starting a business are you now (today)?’ captured the stage of development after accessing support. Before accessing BLSS support, data shows that 66 nascent entrepreneurs were at the pre-start stage. After accessing support only 15 remained at pre-start stage, a change of 51 people who either progressed to start-up, established business or other. The number of established business increased from 4 to 57 at point of access and exit respectively. The ‘other’ category included a few individuals who were not sure where to place themselves and through analysis and validation some were reallocated to categories (see appendix 9A).

**Table 6-4 Pre and Post stage of Entrepreneurial Development**

|   |  | At what stage of starting a business were you when you contacted the BLSS? |           |          |                      |       |
|---|--|--|-----------|----------|----------------------|-------|
|   |  | N  | Pre-Start | Start Up | Established Business | Other |
|   |  | 105  | 66        | 29       | 4                    | 6     |
| At what stage of starting a business are you now (today)? N |  |  |           |          |                      |       |
| Pre Start   |  | 15   | 13        | 0        | 0                    | 2     |
| Start up  |  | 18   | 12        | 6        | 0                    | 0     |
| Established Business  |  | 57   | 29        | 23       | 4                    | 1     |
| Other   |  | 15   | 12        | 0        | 0                    | 3     |

Further to the analysis above, Table 6-5 shows the link between entrepreneurial experience (prior experience of starting a new venture) and reported stage of development post BLSS. The data shows that more individuals who had no experience started a business. Decision: Reject hypothesis since more people without entrepreneurial experience (66) managed to start a business.



**Table 6-5: Entrepreneurial Experience and Stage of Entrepreneurial Development Time<sup>2</sup>**

**Crosstab (count)**

|   |     | At what stage of starting a business are you now (today)? |       |             |       | Total |
|---|-----|---|-------|-------------|-------|-------|
|   |     | Pre-Start   | Start | Established | Other |       |
| Have you ever started and run a business before you got start-up support? | Yes | 2   | 4     | 13          | 1     | 20    |
|   | No  | 13  | 14    | 44          | 14    | 85    |
| Total   |     | 15  | 18    | 57          | 15    | 105   |

A Chi-Square Test of Independence 2.449) was conducted on entrepreneurial experience (yes or no) paired with current stage of entrepreneurial development (pre-start, start, established, and other) to determine if these variables were significantly related. The results show no significant relation between entrepreneurial experience and stage variables. Out of the nine (9) people who had entrepreneurial experience and did not start a new business five (5) stayed in business. However, the survival of their businesses can not be related to their accessing of start-up support. Business survival and growth analysis are out of the scope of this study. Table 6-6 shows entrepreneurial experience and starting a business.

**Table 6-6 Entrepreneurial Experience and Starting a Business**

**Crosstab (Count)**

|   |     | Have you started a new business since getting start-up support? |    | Total |
|---|-----|---|----|-------|
|   |     | Yes   | No |       |
| Have you ever started and run a business before you got start-up support? | Yes | 11  | 9  | 20    |
|   | No  | 48  | 37 | 85    |
| Total   |     | 59  | 46 | 105   |

Entrepreneurial experience in this sample does not show any relationship with starting a new venture (Pearson Chi-Square .014 with 1 degree of freedom).  
Decision: Reject Hypothesis since more people (absolute numbers and in proportion to sample) without entrepreneurial experience managed to start a new business. A further analysis of the individuals who did not start a new business is highlighted in later discussions.

**6.5.6. Pre-Start Activities**

(*H<sub>6</sub>: More nascent entrepreneurs who complete more start-up activities before accessing support manage to start a business than their peers who do not.*)

Following on the analysis of entrepreneurial experience this section discusses the importance of start-up activities (13 new venture creation activities which include registering a company, hiring employees, investing money, finding business premises etc, see chapter 4). The results of the analysis show no link between the new venture creation activities that the nascent entrepreneurs manage start or completed before accessing support and their subsequent new venture creation success (Table 6-7). The majority of individuals who managed to start a new business had not completed a single new venture creation activity at the point of contacting BLSS.

**Table 6-7 AVERAGE Prestart Activities and NVC**

| <b>AVERAGE</b>                  | <b>On Average<br/>13 Activities Not<br/>Started</b> | <b>On Average<br/>13 Activities<br/>Started</b> | <b>Average<br/>13 Activities<br/>Completed</b> |
|---------------------------------|---|---|--|
| <b>Started business</b>         | 37  | 16  | 5  |
| <b>Not Started<br/>business</b> | 31  | 19  | 6  |

Decision: Reject hypothesis. This, perhaps surprising, result can be explained by examining the types of new businesses that were being created that could be described as lifestyle businesses with some nascent entrepreneurs working part-time or from home. One feature of the contract influence on the BLC delivery was that lifestyle and part-time businesses counted as outputs. As shown in Table 6-8, 20 of the new businesses were classified as 'other' (taken to mean Lifestyle Business). This study uniquely looks at the whole range of business starts including lifestyle businesses as shown in Table 6-8.

**Table 6-8 Type of Businesses Started**

|                                  | <b>Frequency</b> | <b>Percent</b> |
|----------------------------------|------------------|----------------|
| 1 = Construction                 | 1                | 1.0            |
| 10 = Education                   | 6                | 5.7            |
| 11 = Health Care                 | 1                | 1.0            |
| 13 = Transportation              | 1                | 1.0            |
| 14 = Computer Systems and Design | 4                | 3.8            |
| 15 = Food and Restaurant         | 2                | 1.9            |
| 16 = Other                       | 21               | 20.0           |
| 2 = Manufacturing                | 1                | 1.0            |

|  |     |       |
|--|-----|-------|
| 3 = Consulting                         | 12  | 11.4  |
| 5 = Finance, Insurance and Real Estate | 3   | 2.9   |
| 6 = Entertainment                      | 1   | 1.0   |
| 7 = Retail                             | 4   | 3.8   |
| 8 = Engineering                        | 1   | 1.0   |
| Total                                  | 105 | 100.0 |

## 6.6. Interventions

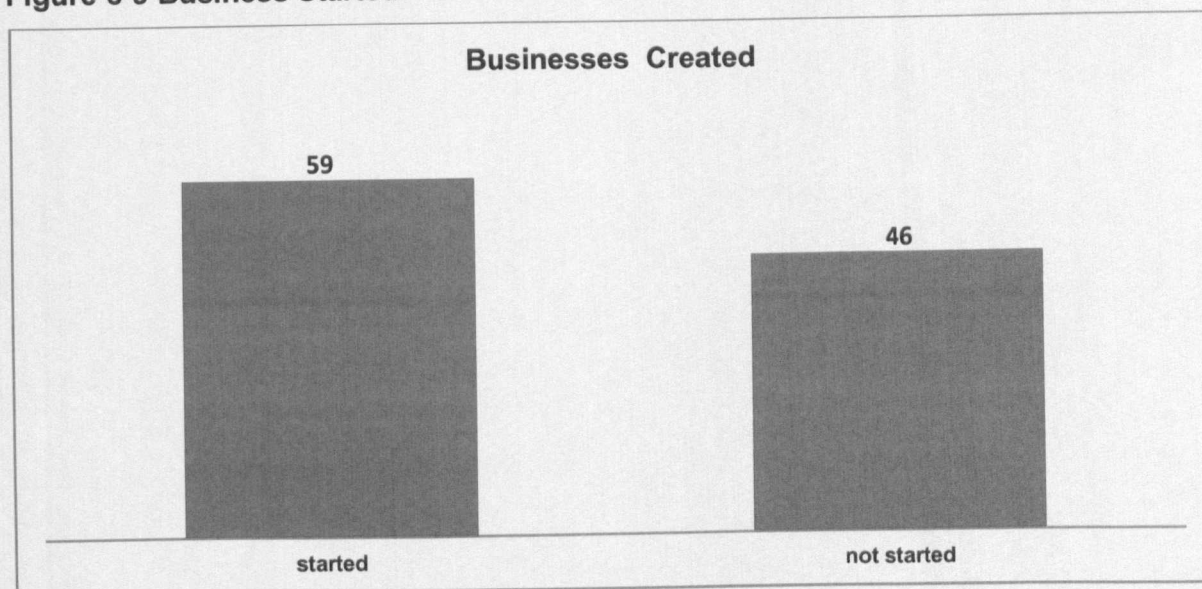
This part of the analysis is significant in that it links the interventions and the ultimate outcome of new venture creation (or failure to start). Does it follow that individuals that access more hours of support are more likely to start? However, it is also essential to note that in this study the decision not to start is a worthy outcome of the BLSS process as nascent entrepreneurs decide rethink or abandon their business start-up plan based on the information and advice received.

### 6.6.1. Number of Businesses Started

*(H7: All BLSS supported nascent entrepreneurs manage to start a business)*

Figure 6-9 shows that the 105 BLSS participants managed to create 59 new ventures (56%) and 46 did not start a new venture.

**Figure 6-9 Business Started**



Decision: Reject hypothesis, not every supported individual managed to set-up a business.

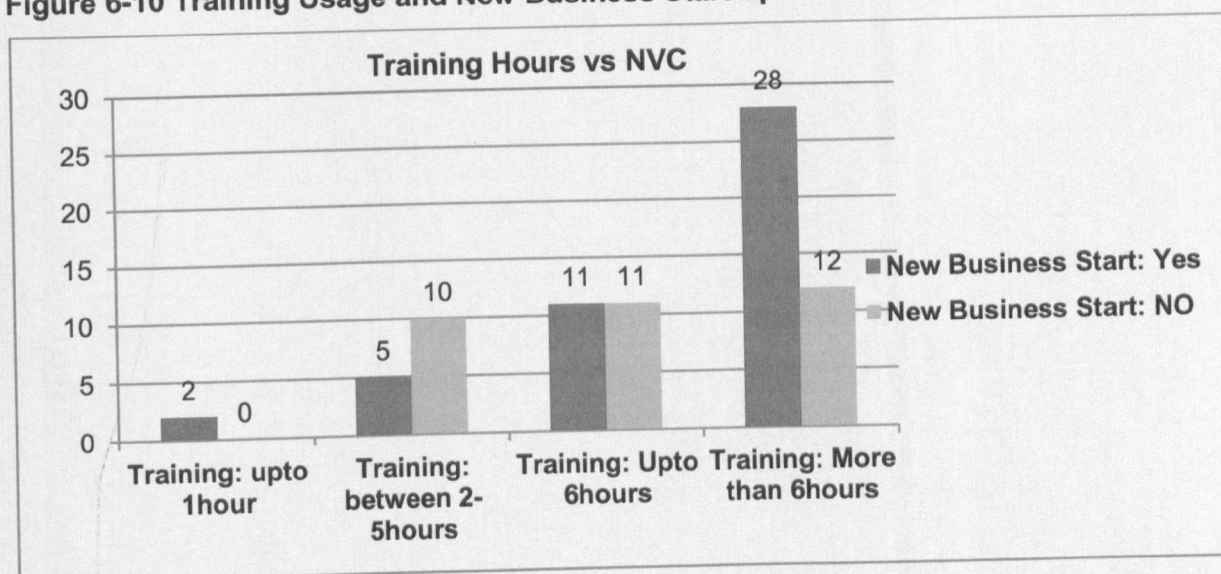
### 6.6.2. Hours of Training



( $H_8$ : More nascent entrepreneurs that receive more than 6 hours of training manage to start a business than their peers who receive less).

A higher number of people who attended training for over 6 hours managed to start a business (28) compared to individuals who accessed less than 6 hours (11), 2-5 hours (5), and up to 1 hour (2). Table 6-10 shows the usage and outcome distribution. This is explained by the fact that the participants could attend a minimum training of six (6) hours. This is also subject to further interpretation noting that the sessions were full days and participants could count them as over 6 hours.

**Figure 6-10 Training Usage and New Business Start-up**



Decision: Accept hypothesis since a high number (28) of start-up received more than six hours training.

### 6.6.3. Website Usage and New Business Start-up

( $H_9$ : More nascent entrepreneurs that receive more than one (1) hour of Website support manage to start a business than their peers who receive less). More people (13) who used the website for between 2-5 hours managed to start a business compared to individuals who accessed less than 2 hours (11) or more than 5 hours (8). However usage of the website was significantly lower when compared to training and advisor sessions. (See appendix A-6). Decision: Can not reject or accept hypothesis since the usage was low.

### 6.6.4. Telephone Usage and New Business Start-up

( $H_{10}$ : More nascent entrepreneurs that access more than one (1) hour of Telephone support manage to start a business than their peers who receive less). 14 people who used the telephone for up to 1 hour managed to start a business and people who used the telephone

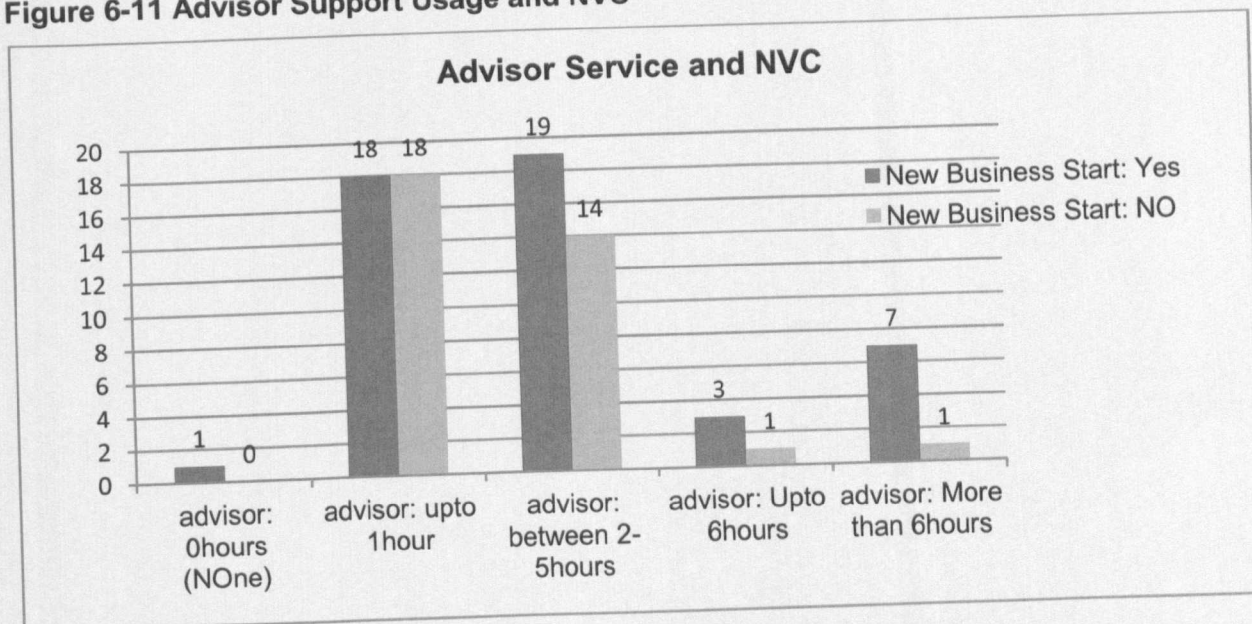
for more than 2 hours all started (8 people). Usage is also particularly low on this Hub delivered service (see appendix A-6). Decision: Can not reject or accept hypothesis since the usage was low.

### 6.6.5. Advisor Support and New Business Start-up

( $H_{11}$ : More nascent entrepreneurs that accessed between 2 and 5 hours of advisor support manage to start a business than their peers who receive less).

The advisor support data shows that more people that started (19) accessed BLSS advisor support for between 2-5 hours and this is only attainable in more than one visit. However, 18 people also managed to start with one hour support. There is no significant difference of numbers between those who saw the advisor once and those that saw an advisor more than once. Advisor support usage and new venture creation data is shown in Figure 6-11.

**Figure 6-11 Advisor Support Usage and NVC**



Decision: Can not reject or accept hypothesis since difference is insignificant.

Table 6-9 shows a summary of the hypothesis decisions.

**Table 6-9 Hypothesis Decision Table**

| Hypothesis   | Hypothesis Grounding and Context  | Decision  |
|--|---|---|
| H1. More male entrepreneurs manage to start a business than their female counterparts. | Shane (2000), Delmar and Davidsson (2003), Honig (2004) state that more men start new ventures. | Rejected<br>Gender balance is highlighted as a suggestion for further research. |

| <b>Hypothesis</b>   | <b>Hypothesis Grounding and Context</b>   | <b>Decision</b>  |
|---|---|--|
| H2. More nascent entrepreneurs aged between 31-45 years manage to start a business than their younger and older peers                                   | Delmar and Davidsson (2003), Honig (2004), Davidsson and Honig (2003) confirmed individuals between the ages of 30-45 are more likely to start new ventures explained by other human capital factors such as savings, work experience, and networks). | Accepted   |
| H3. More nascent entrepreneurs with higher educational attainment manage to start a business than their peers without lower qualifications.             | Shane (2000) confirmed that individuals with a higher educational attainment are more likely to start a successful new venture.   | Accepted: More individuals with higher educational attainment (Bachelors degree and above) managed to set-up new ventures. |
| H4. More nascent entrepreneurs with prior work experience manage to start a business than their peers without prior work experience.                    | Prior knowledge (Shane, 2000; 2003) confirmed the importance of previous entrepreneurial experience. In serial and habitual entrepreneurial studies (Ucbasaran et al, 2008) confirms the importance of entrepreneurial experience.                    | Accepted: More individuals with prior working experience managed to set-up new ventures.                                   |
| H5. More nascent entrepreneurs with previous entrepreneurial experience manage to start a business than their peers without entrepreneurial experience. | Prior knowledge (Shane, 2000; 2003) state the importance of previous entrepreneurial experience. In serial and habitual entrepreneurial studies (Ucbasaran et al, 2008) confirm the importance of entrepreneurial experience.                         | Rejected: More individuals without previous entrepreneurial experience managed to start new ventures.                      |
| H6. More nascent entrepreneurs who completed more start-  | Carter et al (1996); Honig (2004); Honig and Karlsson (2003); Delmar and Davidsson (2003) state that the  | Rejected: NVC were generally deemed irrelevant and not a   |

| <b>Hypothesis</b>  | <b>Hypothesis Grounding and Context</b>  | <b>Decision</b>   |
|--|--|---|
| up activities before accessing support manage to start a business than their peers who do not.   | completion of new venture creation activities is important for new business start-up.  | discriminating factor between individuals who started new businesses and those who did not.   |
| H7.All BLSS supported nascent entrepreneurs manage to start a business   | Hypothesis emerged from the analysis of the qualitative data and the context of BLSS delivery.   | Rejected  |
| H8.More nascent entrepreneurs that receive more than six (6) hours of training support manage to start a business than their peers who receive less. | Hypothesis emerged from the analysis of the qualitative data and the context of BLSS delivery. The results show how the contract targets led to entrepreneurs attending a minimum of six hours training. A minimum of 6hours was required for the T6 target. | Accepted<br>The standard single day training event was six hours and therefore most individuals that received training got more than 6 hours. |
| H9.More nascent entrepreneurs that utilise more than one (1) hour of website support manage to start a business than their peers who use less.       | Hypothesis emerged from the analysis of the qualitative data and the context of BLSS delivery.   | Low usage of service and response to question.  |
| H10. More nascent entrepreneurs that utilise more than one (1) hour of website support manage to start a business than their peers who use less.     | Hypothesis emerged from the analysis of the qualitative data and the context of BLSS delivery.   | Low usage of service and response to question.  |
| H11. More nascent entrepreneurs that receive between two (2) and five (5) hours of   | Hypothesis emerged from the analysis of the qualitative data and the context of BLSS delivery.   | Low usage of service and response to question.  |

| Hypothesis   | Hypothesis Grounding and Context | Decision |
|--|----------------------------------|----------|
| advice support manage to start a business than their peers who receive less. |                                  |          |

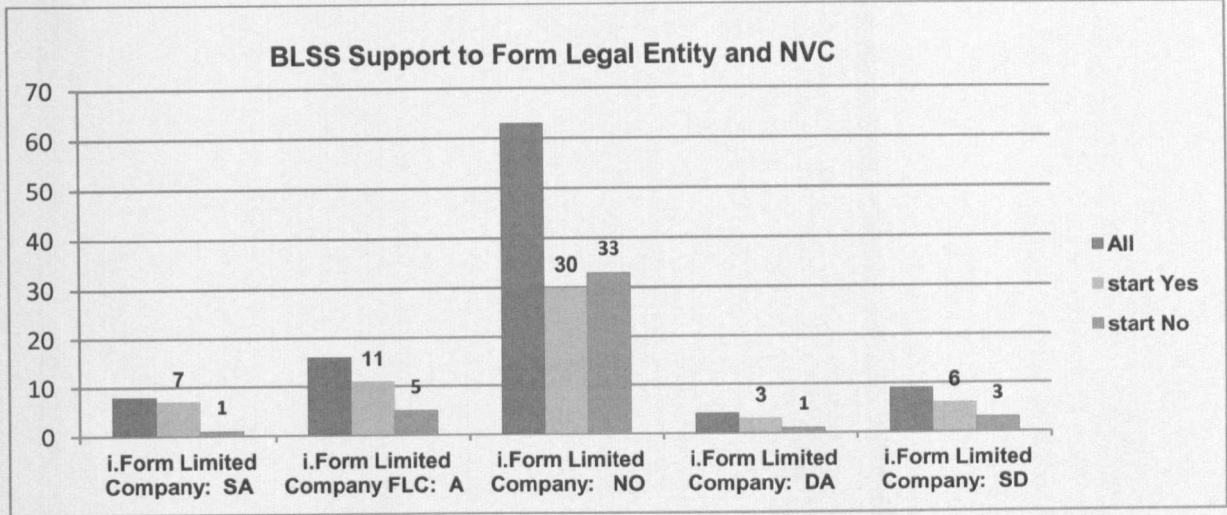
There are no significant differences between nascent entrepreneurs that access more or less hours of support (except training) and starting a new venture. However, the importance of education, age, and work experience is acknowledged by the results of this study. The concentration of the supported population is some age groups could be a hint of delivery quick-hits discussed earlier (section 5.11).Some of the programme participants were individuals opening a business bank account at a bank and were given a BLSS flier and recorded as a new business started output. As noted earlier one of the participants in this study stated that they had not accessed the BLSS service. The activities question (H<sub>5</sub>) was dominated by the ‘No Opinion’ responses, therefore statistical interpretation is limited. The next section discussed how nascent entrepreneurs attribute their successes and/or failures in completing new venture creation activities to the support they received from the BLSS.

### 6.7. Attribution

Further to the hypotheses testing, the study progressed to analyse how the nascent entrepreneurs attribute their own success or failure to BLSS. Central to this study, this section analyses data on how BLSS helped nascent entrepreneurs to complete 13 new venture creation activities. The answers analysed here are in response to the question ‘*The BLSS support I received meant that I was able to...* activity options 1-13’ (Appendix A14 page A-22). It is essential to note that across all services (except business plan) the majority of nascent entrepreneurs chose ‘No Opinion’ (instead of SA- Strongly Agree, A – Agree, DA – Disagree, and SD- Strongly Disagree). This pattern is similar for all the other new venture creation activities. Figure 6-12 shows the nascent entrepreneurs’ responses to how the BLSS assisted them towards forming a legal entity (FLC) and the majority expressed ‘no opinion’.



Figure 6-12: Business Support helped to Form Legal Entity

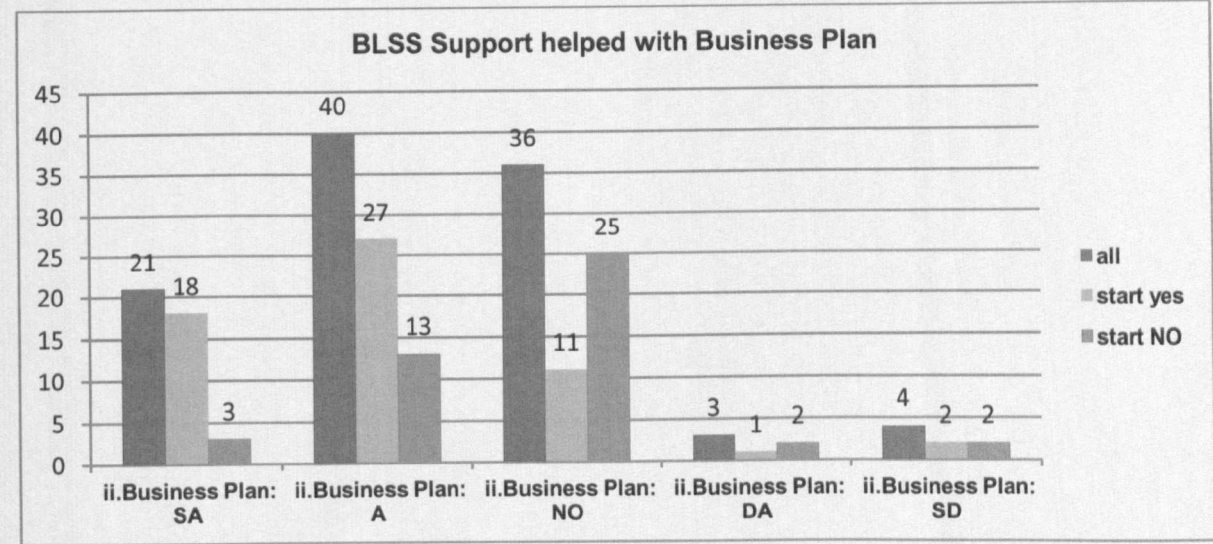


**Key:** SA- Strongly agree, A – Agree, No Opinion, DA – Disagree, and SD- Strongly disagree.

The high consistency with the ‘No Opinion’ choice for most of the 13 activities is related to the type (and form) of businesses which were in some cases part time or lifestyle. Looking for premises would not be relevant for an internet only knowledge business (see table 6-8) and business registration would not be necessary for a lifestyle and part-time venture. This is related to how BLSS support was delivered in a format which was not linked to new venture creation activities. The NE’s in this study considered new venture creation activities irrelevant and therefore not a discriminating factor between those who manage to start and those who could not set-up new ventures.

However, most participants acknowledge the importance of the BLSS in the business plan development (business plan support was provided, mainly, through training and advisor sessions).

Figure 6-13: Business Support helped to Complete Business Plan



This difference in attribution is interpreted to be linked with the format of delivery for the business plan training, which was clearly titled (Business Plan). In addition both formal and informal businesses planning would be relevant to most types (and forms of business) businesses as stated by Timmons (1985) and Delmar and Davidsson (2003).

## 6.8. Provision vis-à-vis Needs Gap

Ingrained in this study is the question about the adequacy of the BLSS to meet the needs of nascent entrepreneurs. The analysis of responses shows that out of the 105 participants, 100% were seeking start-up finance. The BLSS was providing for most of entrepreneur needs as discussed in Section 5.17 and 5.25. however, the BLSS provision did not provide start-up finance as one of its services. Figure 6-14 and 6-15 show the needs vs. provision gap.

### 6.8.1. Business Support Sought and Received

Figure 6-14 Business Support Sought

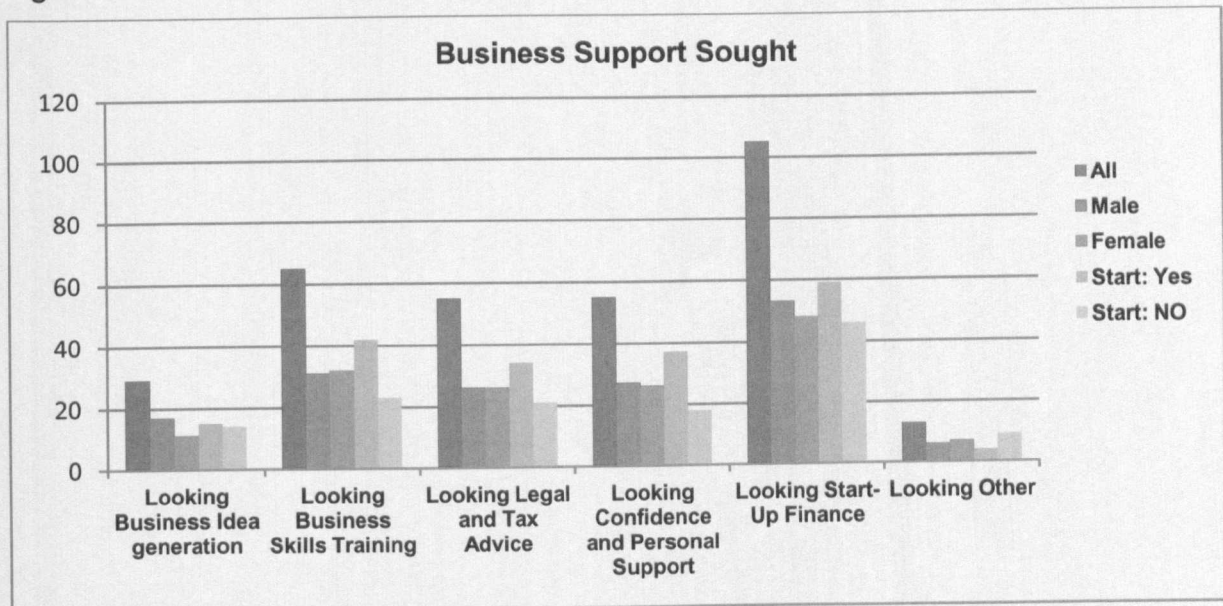
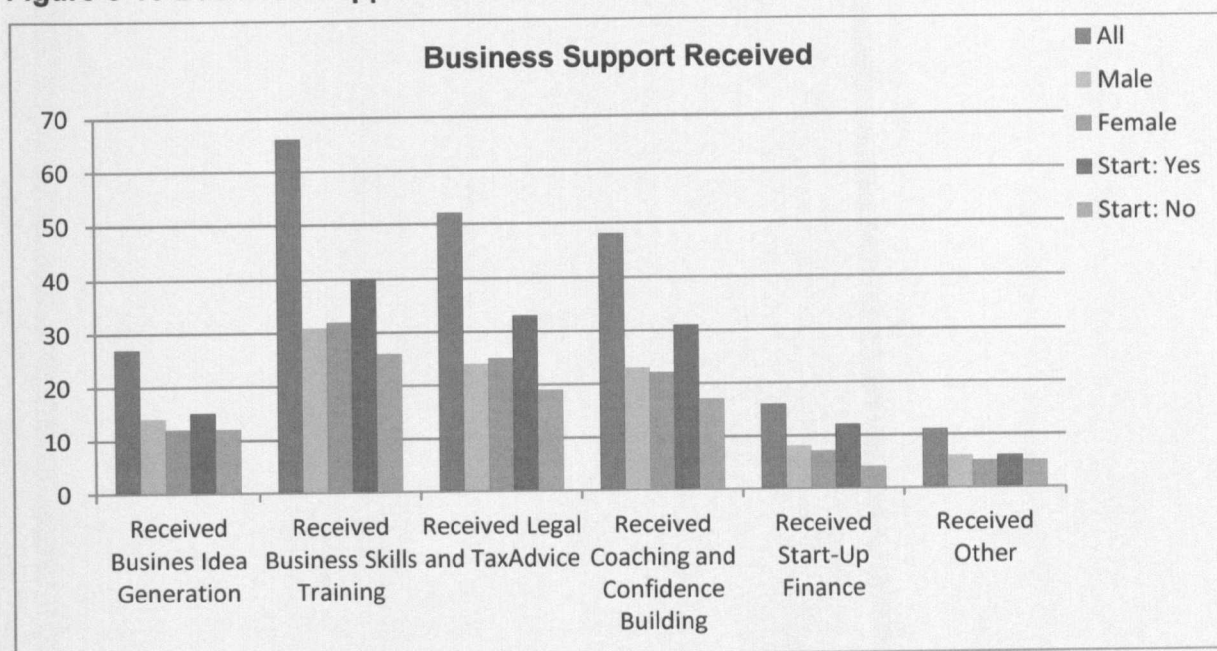


Figure 6-15 shows what the nascent entrepreneurs received in terms of support. There were no variations between the male and female population in terms of their needs and what the BLSS supplied.



**Figure 6-15 Business Support Received**



This can be interpreted further within the context of the nascent entrepreneurial needs as discussed in Chapter 5 which shows that the individual needs were diverse. This analysis also shows that while the new venture creation activities were considered irrelevant. However, forms of support that would assist in the completion of some activities was sought after by the entrepreneurs (notably business skills training and tax / legal advice). Individuals who stated that they received start-up finance accessed it from other providers outside the BLSS (banks and third sector organisations). The next section discusses the correlation between the many activities and the new venture creation outcome. The further analysis was carried out in order to show the links and correlations among between the independent variables (activities) without relating them to the outcomes.

## 6.9. Correlation Analysis to New Venture Creation

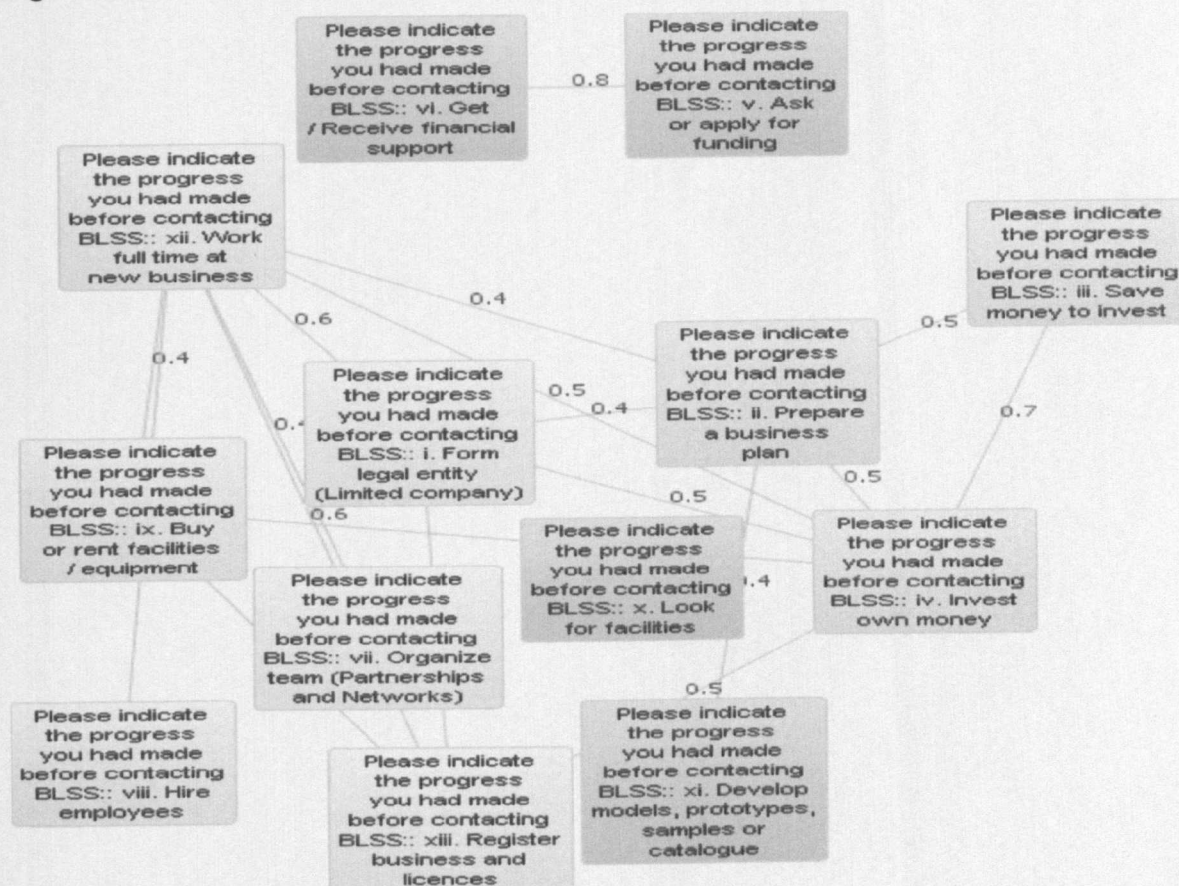
Questions around what activities nascent entrepreneurs completed before and after BLSS, as noted earlier, were dominated by 'No Opinion' responses as some of the activities were considered not relevant to most participants and their type of businesses. The same applies to the attribution of BLSS and how it enabled them to start of complete new venture creation activities. Most participants found the activities irrelevant. In order to understand the linkages, a full correlation analysis of all variables was carried out (see appendix A18/19. The correlation coefficients between the 13 activities and starting a business ranged between  $^{+}.21$  to  $.37$ . The co-movement was weak but notably positive (see appendix A18/19).

However, the same analysis revealed clusters of new venture start-up activities with strong positive correlations and the further analysis is discussed in the next section.

## 6.10. Cluster Analysis Using Sammon Maps

Sammon maps are an iterative technique that makes inter-point and relational distances between variables (Webropol, 2011). Sammon maps show the links between factors being analysed. The maps (see figure 6-16 and 6-17) are condensed versions and illustrate the key relationships (for more see appendices A11-13, page A-12/20). This section gives a visual summary of the cross tabulations and correlation analysis. The Sammon map shows that activities and factors in this study are intertwined and connected (spider-web). The correlation analysis shows positive weak relationship between a number of variables and new venture creation. However, there were clusters of variables which were strongly positively correlated that are essential to discuss. Variables on new venture creation activities (both pre-accessing and post accessing BLSS support) were strongly positively correlated ranging between 0.50 and 0.8.

**Figure 6-16 Pre-Start New Venture Creation Activities Links**



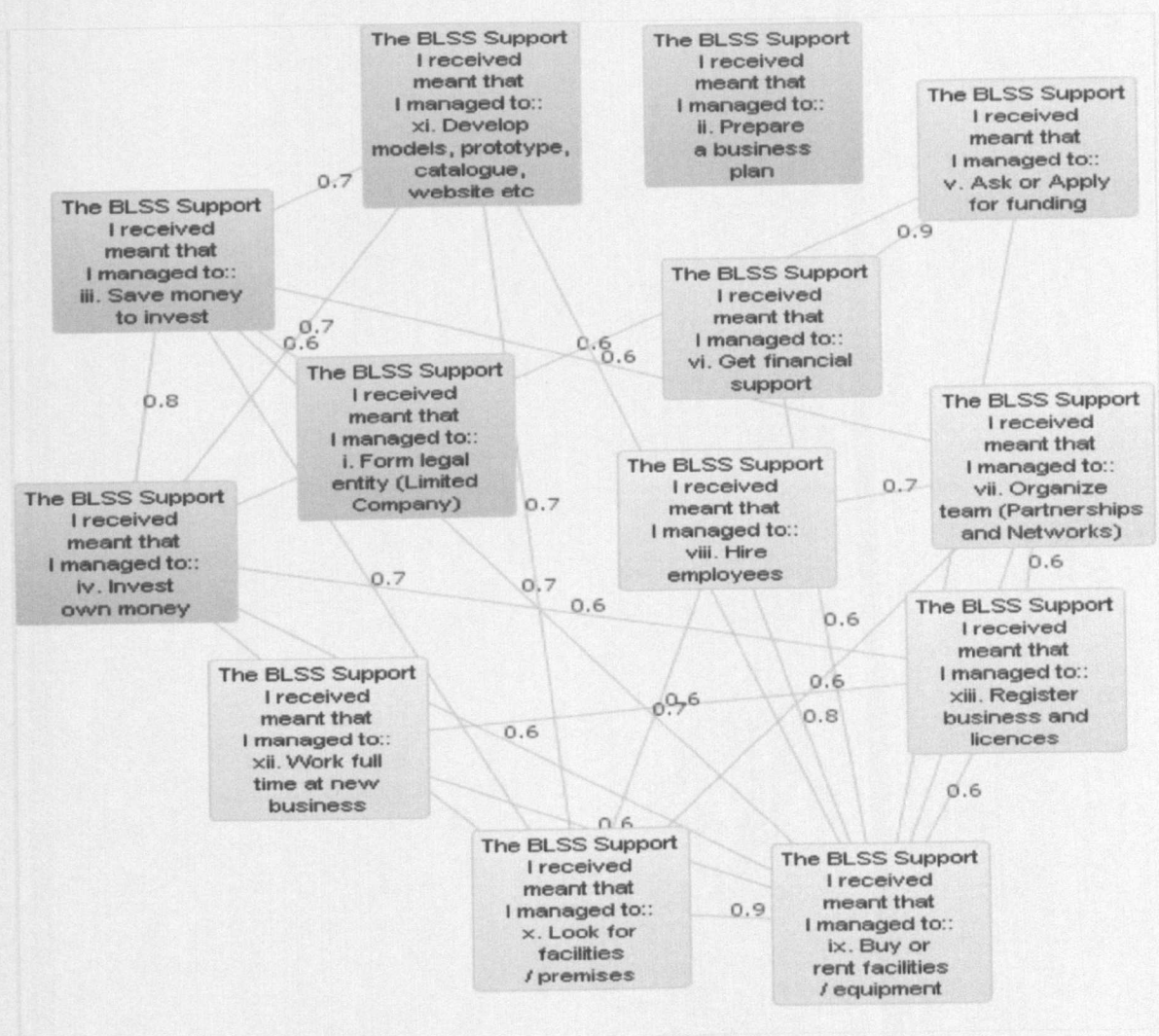
The responses in this question ranged between not started, started, and completed. The correlations between the variables in this cluster are as strong as 0.8 in some cases and this



is interpreted as a demonstration of the strong relationship links between the activities (without suggesting causality). The highest correlation of 0.8 is between applying for financial support and actually getting it. Individuals that had not started applying for funding are unlikely to have received funding. The same applies to saving and investing own money as a nascent entrepreneur can usually invest own money after saving.

Figure 6-17 shows the relationships between the post start-up activities cluster. The question was 'The BLSS support I received meant that I was able to (complete start-up activity)?' The responses ranged from strongly agree to strongly disagree. The correlations range between  $\pm 0.5$  to 0.9.

**Figure 6-17 Pre-Start Activities**



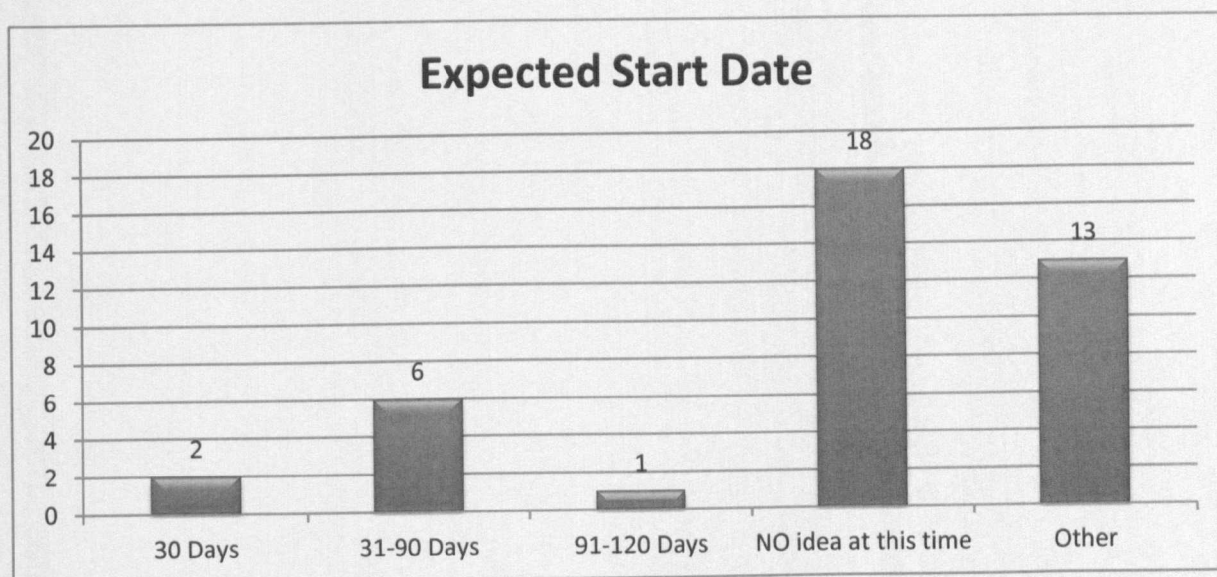
The strong co-movement among these variables is important in exploring the combined effect that these variables could have on new venture creation survival and growth. This is subject of future research and development of this study. The next section discusses the

numbers around individuals that did not manage to start and explanations for the entrepreneurial development status (failed or not started).

### 6.11. Not Started or Failed analysis

The outputs reported under the BLSS contract were individuals trained, seen advisor, number of new businesses started etc. However, important to this study is an understanding of those individuals that were still trying to start or who had given up on starting a new venture. This section analyses the failed or still trying nascent entrepreneurs (nascent entrepreneur needs). Figure 6-18 shows that 18 of the 'no-starts' had no idea of when they would start their new ventures, 9 were keen to set-up within a date range of 30-120 days. 13 classified themselves as 'other'.

**Figure 6-18 Expected Start Date**



The 'not started' individuals disappear from the BLSS 'radar system' mainly because there was no pressure for BLCs to follow and ensure that they do start a new business. The additional needs of nascent entrepreneurs range from funding, business skills training, confidence etc as discussed earlier. If the BLSS system was about effective utilisation of resources, it would have been essential to pursue individuals who have already received some form of support and help them start instead of chasing new targets.

The quantitative data analysis above shows that no single variable of support of human capital factor can be used to explain entrepreneurial status. The relationships are not simple and there are a nexus of factors which make a one size fits all approach to start-up support irrelevant and retrogressive.

## **Validity: File Study Excerpts**

In order to check the validity nascent entrepreneurs' feedback on the support accessed and related demographics, the researcher randomly selected six nascent entrepreneur files to check detail. This also helped to build an understanding their profiles vs. entrepreneurial status. The participants were given pseudonyms in line with the approved ethics submission for this project. The participants' profiles (age, work experience, education), motivation for starting a business, new venture creation activities completed before and after accessing support, and needs are unique to each profile. The file excerpts support the assertion that the delivery of the BLSS was biased towards individuals who had capacity to start their own ventures without government funded support.

### **6.12. Conclusion**

The main research question of this thesis is 'Did the Business Link Start-up Service help individuals to create new ventures?' The qualitative data provided the context and challenges of the BLSS and the quantitative data supported that the BLSS delivery was flawed. The contractors delivered in a way to meet the output targets and retain the BLSS contract.

Despite the lack of funding, the BLSS was a thought-out and balanced product portfolio with flexibility on one hand and structure on the other. The BLSS product portfolio included standardised training and information (via the website, brochures and leaflets) and flexible service (through the Hub and advisor sessions). In addition the training sessions also provided opportunities (limited) for clients to ask questions and discuss real business cases. Linking to the literature on human capital, opportunity discovery and subsequent success of new venture, BLSS provided an ideal mix of services.

However, as a product the main constraint for the BLSS was the non-availability of start-up finance as part of the product offering. 105 out of the 105 participants (100%) were looking for start-up finance when they contacted BLSS. However BLSS did not provide start-up finance. The importance of funding was echoed in both the qualitative (providers and nascent entrepreneurs) and the quantitative analysis. The need for personal savings (access to financial capital) was, according to both providers and nascent entrepreneurs, central to the provision of support and enabling individuals to set-up a new business. In some situations, advisors noted that start-up finance was the difference between a start and a no start.

In addition to the lack of start-up finance, the delivery of the BLSS contract was shaped more by the pressure to deliver on numbers for each specific output as was stipulated in the contract. The BLSS contract and the way it was managed over-shadowed the 'good product'. This caused the whole delivery system to dysfunction, overriding the regions filter (the Hub), increasing referrals from networks and limited follow-up of clients. The targets for market penetration, training and start-up were pursued as separate targets with no intention to pursue individuals and support progression. While the data quantitative data shows that 55% percent of the prestart individuals progressed to NVC, it also shows a bias in the demographic profile of nascent entrepreneurs. The quantitative data shows that the individuals supported could have managed to start new businesses without business support (based on their demographic profile). The skewed demographics add weight to the argument that networks and partnerships were used to get 'quick hit' targets (age, work experience).

Without the qualitative data one could easily come to the conclusion that the BLSS was panacea for nascent entrepreneurs on their journey to start. The randomly selected individual file profiles (see appendix A8, pages A-10 to15) also shows the general bias of the start-up population towards mature and experienced individuals. The way Business Link Contractors (BLCs) were measured had a significant impact on how (and to whom) the BLSS service was delivered. Themes emerging from the qualitative data showed that there were challenges with the contract design, reporting requirements, contract management structure, networks and relationships etc. The interviews show that there was complicit conspiracy filtering through from the RDA, the contract manager to the BLCs to report high outputs for the region. The auditing of the recorded outputs lacked breadth, depth and context. All interview participants were aware of the 'irregularities' in reported outputs. It was expressed by some of the participants that the reported outputs, would 'one day come back to haunt' them.

In addition to the pressure for outputs, the definition of a new business start-up was nebulous and open to different interpretations. It allowed for the recording taxi drivers and part-time businesses as start-ups just the same way as a high-technology business with potential to create employment. The recorded numbers for estimated new jobs created were 'thumb-suck' figures created by the advisors and their start-up clients. The economic significance or contribution of the business created was not assessed initially and was introduced after the launch of BLSS. The reported figures for the GVA as noted earlier were a guesstimation.

The quantitative data also shows that nascent entrepreneurs (NEs) generally expressed no opinion on the impact of the BLSS in helping them to complete NVC activities. This has been



attributed, firstly, to the fact that the BLSS was not delivered in a format to support new venture creation activities (except for the business plan) as shown in the quantitative data (see Figure 6-16). Secondly the no opinion is related to the 'irrelevance' of NVC activities (such as register a company, apply for finance, find premises, and/or work full-time etc.) to the types of businesses in question (lifestyle and part-time businesses). The economic contribution of the one-man part-time business to economic and employment creation is minimal.

The answer to the thesis question on whether the Business Link Start-up Service helped individuals to create new ventures is not a simple one and the analysis in Chapter 5 and 6 are a discussion of the complexities. The BLSS was delivered to meet the outputs targets as stipulated in the contract and this led to the whole delivery plan being altered and adjusted to reaching targets. The changes with the marketing format and increased pressure on advisors meant that the filtering role of the Hub had been over-ridden. The Hub did not work as far as supporting BLCs to meet their high targets. The targets were viewed as separate and therefore there was no link between the enablers training, advisor and information) and outputs (new businesses created). Training was therefore not leading to start-ups. The type and quality of new business started was not a key measurable aspect of the BLSS and the gross value added figures were a guess.

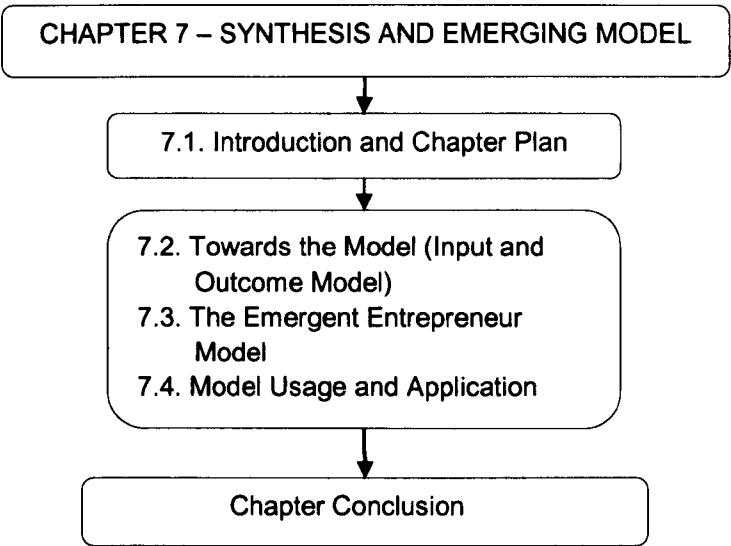
The next chapter (Chapter 7) is a synthesis of Chapter 5 and 6 for the development of a business support model.

## **CHAPTER 7: SYNTHESIS AND THE EMERGING MODEL**

### **7.1. Introduction and Chapter Plan**

This chapter seeks to pull together all the first six chapters of this thesis to develop a nascent entrepreneurship support model. The main qualitative study, quantitative study, and in-depth file review have all contributed to this end. Chapter 5 demonstrates aspects of the BLSS contract and context that impacted desired delivery of the BLSS programme. Chapter 6 carries out a detailed analysis and profile of the supported entrepreneurs as a development of the emerging themes on the BLSS delivery 'dysfunction' from Chapter 5. The proposed model in this study emerges out of the literature, qualitative and quantitative data analysis. The importance of human capital factors (age, education, work experience, entrepreneurial experience, and financial resources etc) is acknowledged in the literature (Chapter 3), interview data (Chapter 5), and the quantitative data (Chapter 6). The negative impact of the contract measures in shaping service delivery is a threading emerging theme through data analysis and is a key component of the new emerging model (which seeks to redress the dysfunction). The need for BLSS contract measures to be progressive is highlighted through out this discussion as a source of frustration for the contractors and inadequate support (limited follow-through) for the nascent entrepreneurs. This study shows that there is no link between new venture creation activities (or stage of start-up) and stage of entrepreneurial development and this has been attributed to the 'informal' nature of new businesses created under BLSS. However, NVC activities remain important for formal new businesses creation. The new venture input and output model incorporates these dimensions and allows for profiling, diagnostics, and progressive measurement of the impact of start-up support. The model is grounded both in theory and data relevant to this study. Figure 7-1 shows the chapter plan.

**Figure 7-1 Chapter Layout**

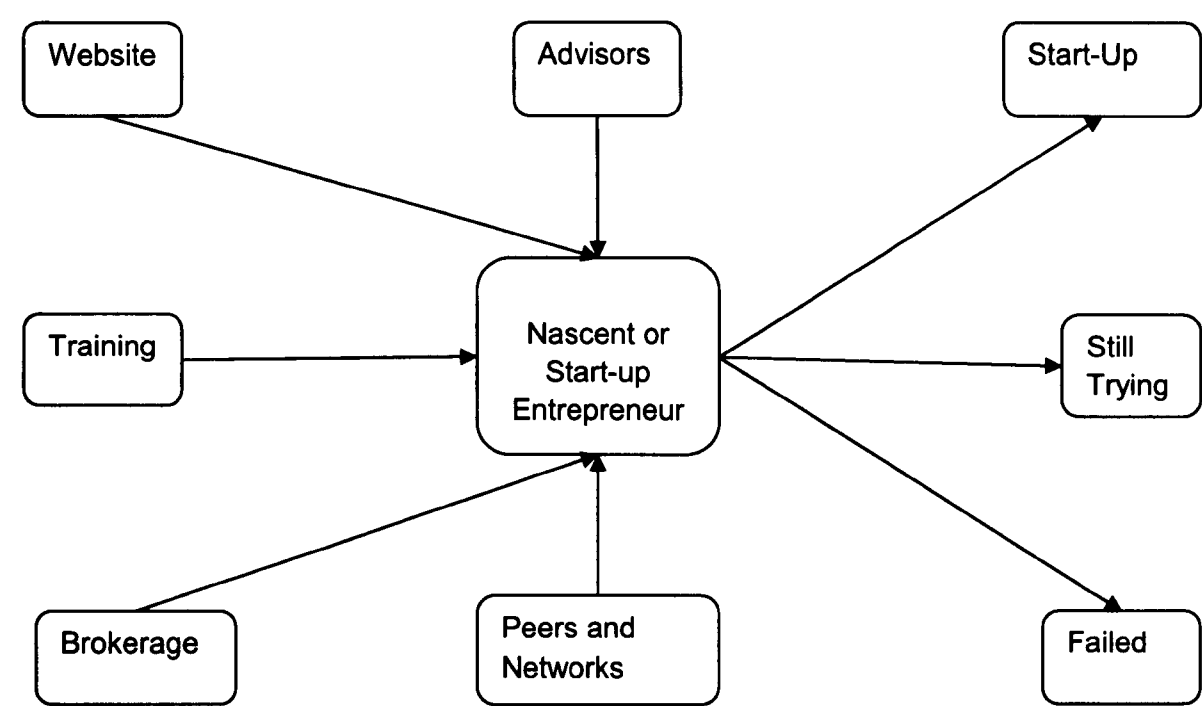


**7.2. Towards the Model (NVC Input and outcome Model)**

This section will first present a simplified view of the current BLSS support model and discuss the emergent model in that context. The BLSS service, as discussed earlier, was both structured and unstructured with an in-built diagnostic approach to delivery. However, the Hub’s diagnostic role was hugely criticised for being an inconvenience to the customer and asking many questions before signalling the customer to a service (advisor, mentor, website, flier or training). Other than providing diagnostic, information, and brokerage services, the Hub would refer clients to a local BLC service provider by booking them to an advisor and/or training session. Due to the limited functionality on RBSIS and the pressure for targets the allocation of all services, including advisors, was based only on availability and not necessarily expertise or relevance. The delivery of service to clients was transactional and therefore not progressive. The main aim was to get an individual counted (T6, new business created, gross value added, etc). Individuals that started a new business were recorded in the BLSS system as a new businesses created. The business survival was made up of new businesses that had stayed in operation for over 12 months (12 months and a day). However, the failed and still trying individual journeys were not documented and would remain dormant and open-ended until the closure of the BLSS programme.

Figure 7-2 summarises the BLSS support system as it was delivered between April 2007 and March 2010.

**Figure 7-2: The BLSS Support Structure 2007-10**



There were inherent weaknesses in the BLSS delivery which included lack of start-up finance, poor regional marketing, and ‘silo’ output measures. Chapter 5 and 6 discussed in detail the challenges the delivery constraints that were inherent in the BLSS contract 2007-2010. The proposed model evolves from this analysis and addresses some of the key problems surrounding the BLSS 2007-10 around the objectives and measurement start-up support.

**7.3. The Emergent Entrepreneur Model**

The emergent model (new) was developed as a tool to provide an entrepreneur and enterprise support framework that would enable effective monitoring and management of support. The monitoring mechanism at any point in the process of starting a business would allow more people to succeed in setting up a business by prioritising the need for individual progression. The factors around how some people manage to setup and grow new business have been discussed in the literature and are important element of this model. The entrepreneur development model, human capital theory and entrepreneurs behaviours studies form an essential part of this model. Literature also shows that the completion of new business creation activities is important in establishing a new business. The survey data shows no evidence of a relationship between the amount and quality of support (except training) with new business creation (activities completion or new venture creation).

The 'new' model evolved from the whole analysis and the researcher incorporated the lessons from the both sets of data. The revised entrepreneur support model was developed in two important steps:

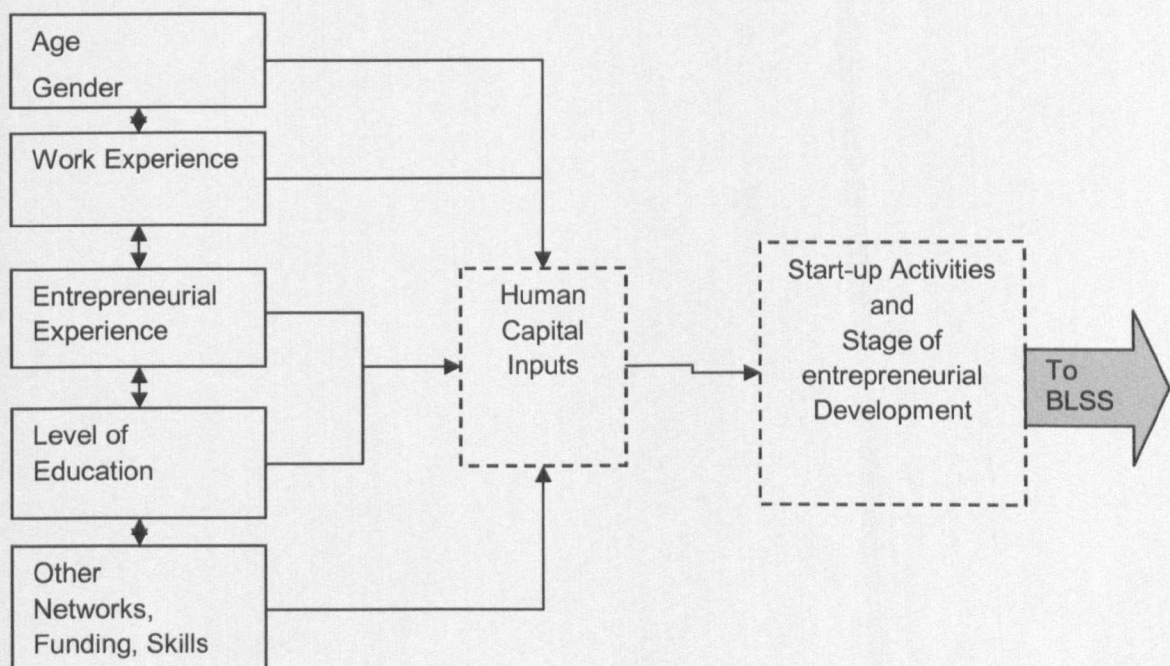
- The qualitative data on what nascent entrepreneurs needs and the issues arising in the delivery of the BLSS contract.
- The quantitative data on new venture creation activities, human capital factors, and outcomes.

The phenomena that are analysed are put into four broad factors which make the main components to the Entrepreneur development model which are: (i) nascent entrepreneur inputs, (ii) nascent entrepreneur support intervention (ii) new venture creation activities, and (iv) new venture creation outcomes.

### 7.3.1. The Nascent Entrepreneur Inputs

Nascent entrepreneur inputs comprise of the human capital input, the start-up activities completed and the stage of starting-up. These are important resources to the new venture creation framework and are therefore essential inputs into an entrepreneur support framework. The nascent entrepreneurs' inputs form a critical component of pre-support diagnostics in the revised model and allows for profiling of participants at prestart which can then be evaluated against the post-support entrepreneurial development status and profile. Figure 7-3 shows the NE inputs. The importance of human capital factors has been highlighted in literature and supported in the demographic analysis in Chapter 5.

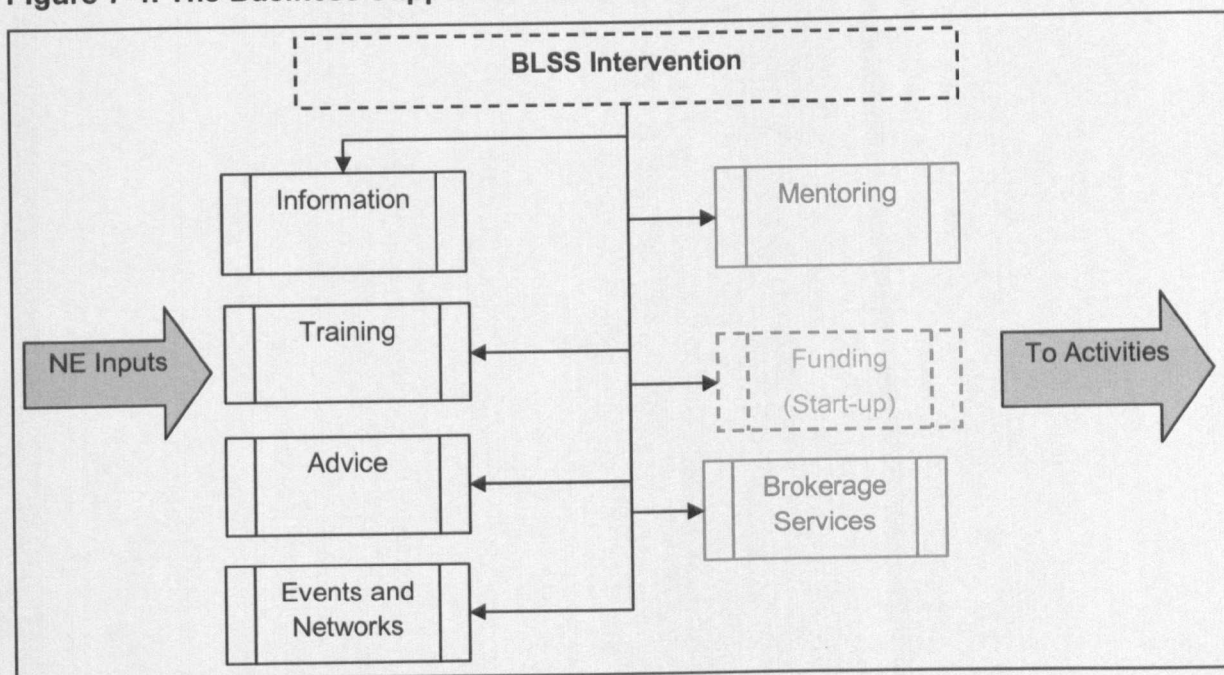
**Figure 7-3 Nascent Entrepreneur Inputs**



### 7.3.2. The BLSS Intervention

Entrepreneurial business support provision has to include the provision of information, training, funding, advice, mentoring, networking and exhibition events. These forms of assistance can significantly assist an individual to start a business or at the minimum gain knowledge to complete NVC activities (or decide not to start). When the measurement of activities and progression is done at the start and at the end of the programme there is greater ability to measure start-up service impact and delivery on the desired outcomes (business start-up, survival and individual progress). However, not all NVC activities are relevant to every business and at the diagnostic stage the relevant activities and the stage of completion has to be recorded to ensure accurate post measurement. Interventions can be in qualitative terms (action plan) and quantified (hours of support). The BLSS programme, as it existed between 2007-10, records did not associate quality ratings to an individual entrepreneur making it impossible to link the quality of support to outcomes. The use of both qualitative and quantitative assessments would allow for the measurement of quality and quantity impact on nascent entrepreneur development or progression towards start-up. Figure 7-4 shows the support intervention.

**Figure 7-4: The Business Support Intervention**



The model allows the start-up support intervention to be provided to suit the development needs of nascent entrepreneurs. This stage the amount of support provided to an individual nascent entrepreneur to be quantified by support type and duration. The quality can be

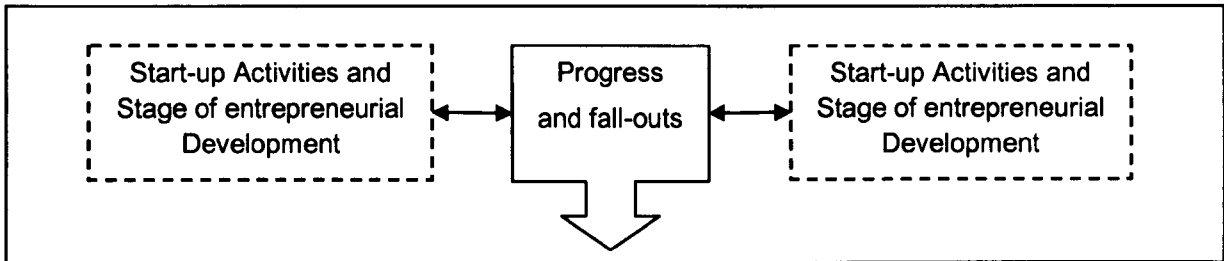


assessed by the nascent entrepreneurs and logged to individual profiles. The quantity and quality of support variables can be used to analyse relationship with outcomes.

**7.3.3. The New Venture Creation Activities**

Entrepreneurial progress can be assessed based on entrepreneurial activities completed (e.g. business plan, hiring staff, etc.) and stage of entrepreneurial development (pre-start, start, and established). Taking on from the first two stages, the entrepreneurial activity component measures individuals’ ability to start or complete start-up activities. Previous research demonstrates that the number of start-up activities completed and the speed of completing them is positively related to starting a new business (Carter et al, 1996). Figure 7-5 shows entrepreneurial progress (activities and stage).

**Figure 7-5 Entrepreneurial Progress at Point of Access and Exit**

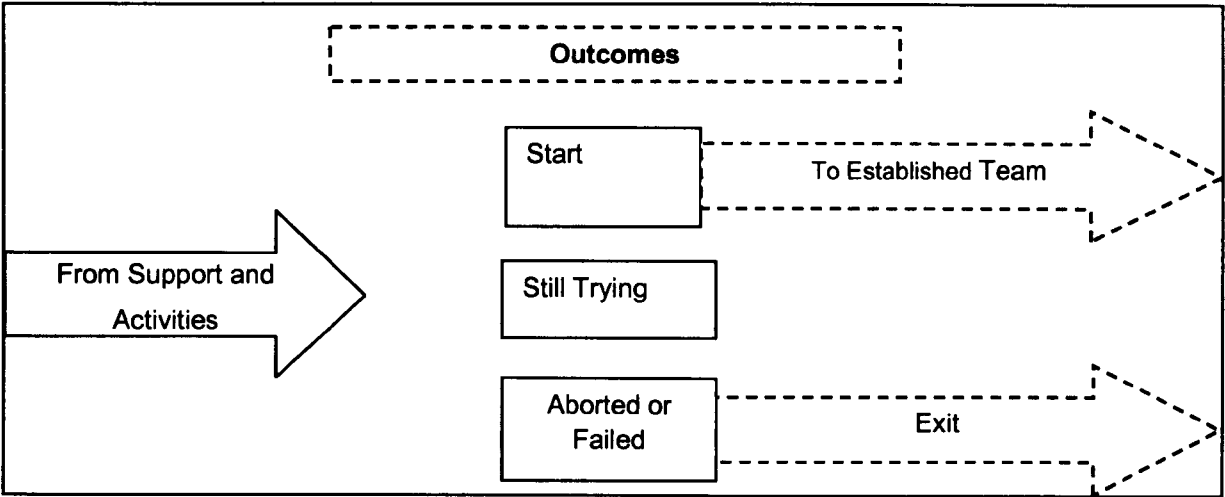


The completion of new venture creation activities as discussed in Chapter 3 is relevant to nascent entrepreneur support. The discussion in Chapter 6 shows that the activities were generally not applicable to the sample of nascent entrepreneurs in this study however, this was mostly attributed to the natures of new businesses created. Activities are central to the importance of measuring progressive development is to manage the risk of the ‘silo’ approach to target hitting.

**7.3.4. The Outcomes**

Outcome is a factor of the combined effect of inputs, intervention and activities. The outcomes capture an individual status at a particular point in time or at the end of the client journey in BLSS. There have always been records of those that manage to start and succeed. However, for the long term development of entrepreneurial support the ‘voice’ of the still trying and failed entrepreneurs is essential. This factor defines the outcomes which can be start-up, still trying, or failed. What makes this model unique is the direct link back of the still trying and failed groups to diagnostics. An outcome ‘exit record’ is essential for the successful return to the NVC process. Figure 7-6 shows the outcomes.

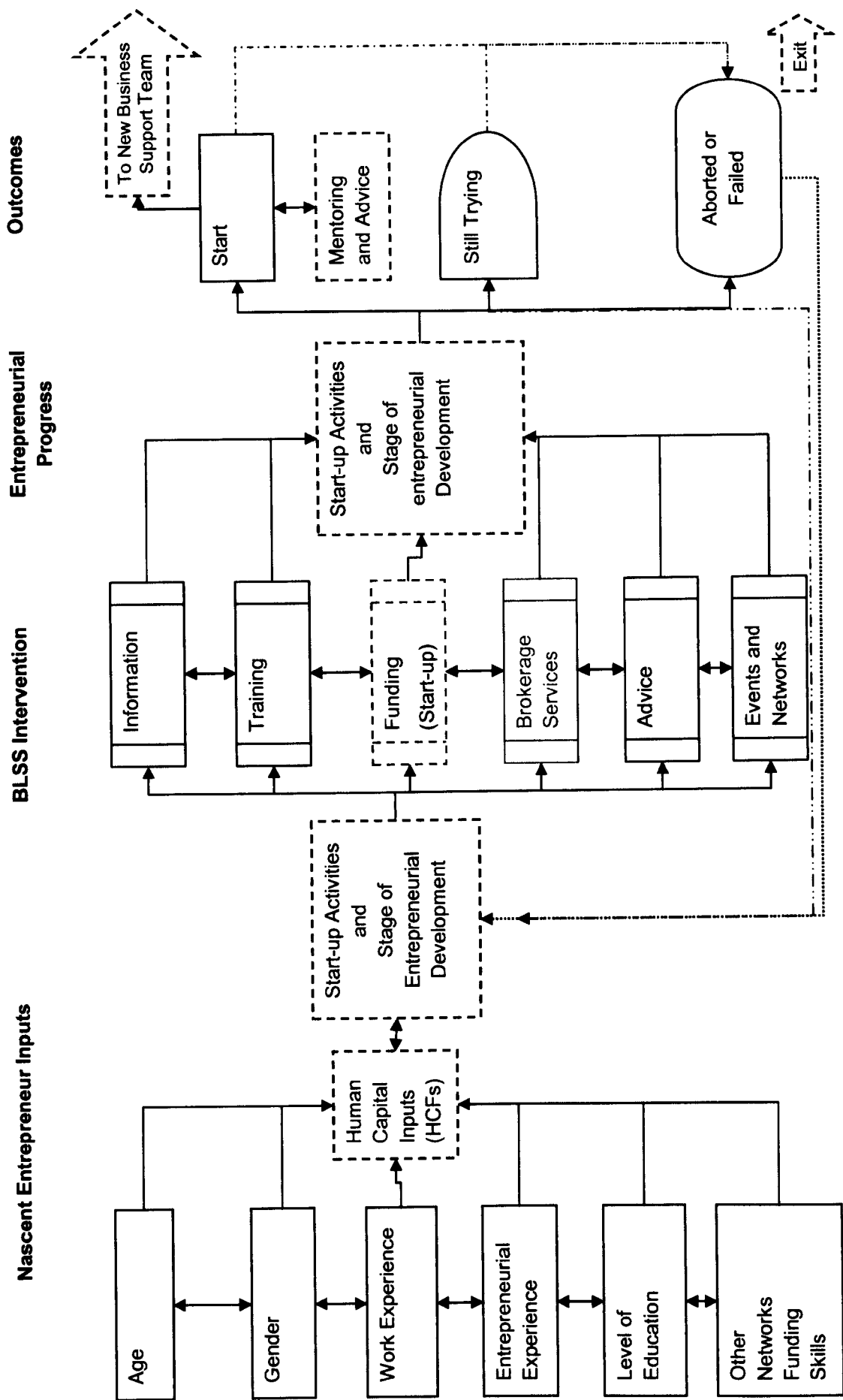
**Figure 7-6 New Venture Creation (NVC) Outcomes**



The NE input, the BLSS interventions, the progress and the outcomes combined created the NVC input and output model. Figure 7-7 shows the NCV Input and Outcome Model. This model (Figure 7-7) allows for progression measurement and the exit of individuals at any point in their start-up journey. The record of exit essential for individuals that do not access further start-up support or other inquiries within a specified time limit.



Figure 7-7 NVC Input and Outcome Model



The main strengths of the model lies with its ability to allow progression, pre and post measurement, exit at any time and allowing for more than one outcome of the new venture creation process. This model is a testable tool of evaluating business start-up support which is structured to deliver on new venture creation and individual outcomes for economic development and not merely outputs of enablers (training, business started etc).

#### **7.4. Model Usage and Application**

A model for the provision of business support incorporating inputs, interventions, and outcomes can be used in whole or in part in the delivery of support. Regional development agencies and business support agencies can apply the model in three ways: demographic profiling, process flow mapping, and new ways of measurement and evaluation.

**Demographic Profiling:** In line with inclusive delivery of support the nascent entrepreneur inputs can be used as a tool for demographic profiling (education, age, work experience etc). Pre-support activities and stage could be used as a diagnostic tool in needs assessment and allow the systematic delivery of support

**Process Flow:** The model could also be used as a tool for diagnostic and implementation of intervention. The client journeys discussed earlier under BLSS structure could not be followed in the delivery of BLSS due to the pressure to deliver on outputs.

**New Ways of Measurement and Evaluation:** The use of activities and stage on new venture creation as pre and post BLSS measures is essential for impact evaluation. This also aids in the identification of the type and scope of business, its long term growth potential (high growth firm or lifestyle business).

The limitation of this model however, is that it requires a robust IT system with customer relationship management (CRM) capability and staff expertise support to interpret entrepreneur needs (pre and post) and delivery of support.

#### **7.5. Model Testing and Piloting**

Sampling and creation of experiments is a challenge in entrepreneurship research. However, this model can be trialled for longitudinal studies on specific enterprise support projects in the East Midlands and beyond. The measurement of human capital factors, entrepreneurial activities, and stage of entrepreneurial development is critical for the assessment of entrepreneurial support programmes at any point throughout an individual's entrepreneurial

journey. This model is therefore useful for qualitative and quantitative mapping of entrepreneurial paths (for large and small sample) projects.

## **7.6. Conclusion**

The conclusion to this chapter can be summed up from three perspectives: the providers view, the nascent entrepreneurs view and the emerging model of this study. A total of 13 (thirteen) interrelated themes that dovetail from the BLSS from the BLSS product and contract. The contract defined terms of reference, some of them especially around marketing and created challenges. The RDA, contract manager and contractors (BLCs) all felt the pressure to deliver. The tender process which was the 'outputs negotiation' platform seemed dysfunctional as BLCs promised hard to reach targets. The delivery of BLSS improved in the final quarter of the contract. The input, intervention, activities and outcomes models could assist with the development of new measures, new structures, and new contracts. The model promotes progress development and rehabilitation of 'failed or given-up' and at the same time allow for failures.

The Nascent entrepreneurs provided an indication of their needs, service rating and attribution of how the service helped them complete start-up activities. As noted most of the new venture creation activities were not relevant to the types of businesses that were being created (mainly lifestyle businesses). The model developed in Chapter 7 evolved from literature review, qualitative data and NE survey analysis. Most nascent entrepreneurs expressed indifference over the BLSS role in assisting them to progress from one stage to another. However, there were notable correlations between some activities (completing a business plan) and new venture creation.

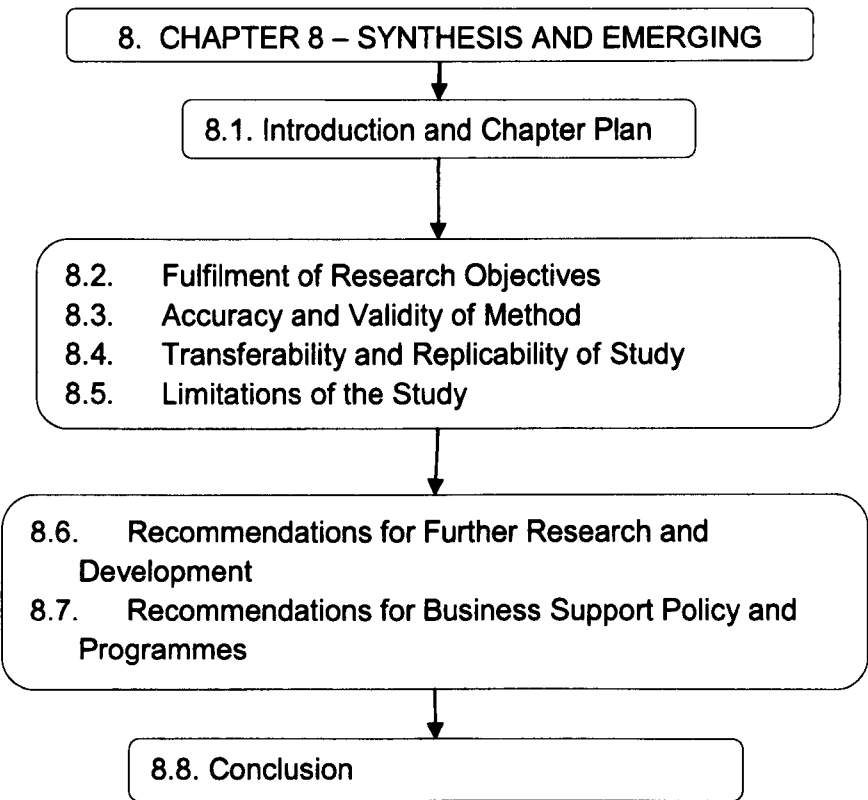
The analyses in chapter 5 and 6, and the model developed in Chapter 7 show that the BLSS service was designed to provide the structure and flexibility that is essential in the delivery of business support. The BLSS contract that accompanied the delivery posed challenges to the whole delivery process and the focus of the BLCs. The regional marketing, regional brand, regional output among other delivery aspects caused dysfunctions in the delivery system. The targeting of individuals supported also shows possible biases towards individuals who in the literature (based on their demographic profiles) could have started without government funded support. Chapter 8 concludes on the thesis and highlights recommendations, methodological lessons and contribution to knowledge.

# CHAPTER 8: CONCLUSION AND RECOMMENDATIONS FOR FUTURE RESEARCH

## 8.1. Introduction and Chapter Plan

The provision of enterprise support for the creation of new ventures is topical and important for economic development. This chapter is a discussion of how study objectives have been met. The research challenges in business support evaluation, their mitigation and the limitations of this study are commented upon. The transferability and replicability of the study, recommendations for further research and development, and recommendations for business support policy are highlighted, and thesis conclusions detailed. The chapter outline is as shown in Figure 8-1.

Figure 8-1 Chapter Plan



## 8.2. Fulfilment of Research Objectives

Publicly funded start-up support (BLSS) is discussed in the secondary and qualitative data analysis chapters (Chapter 2 and 5). The BLSS structure, contract, service and its delivery were critically evaluated at three levels (EMDA/EMB, contractors and nascent entrepreneur). The UK Government provided funding for the BLSS delivery in the region through the EMDA. The objectives of the BLSS programme were defined in terms of the outputs (number of business started, number of people trained, number of jobs created, gross value added,

etc.). Performance evaluation was numeric and based on the business contractors reported outputs. There was a limited distinction between social objectives (community development and area regeneration) and economic objectives (employment creation, value added, and business growth) and this was discussed as a hindrance for evaluation. The objectives around the delivery of support and outcomes remained elusive throughout the contract delivery. The dysfunctional nature of output targets and their impact on delivery threads through all discussions.

The analysis of the demographic profile of participants against to new venture creation outcomes is outlined in chapter 6. The nascent entrepreneurs' survey provides an evaluation of the recipients' service assessment and how they attribute their individual success or failures to the BLSS. The study shows that nascent entrepreneurs express indifference to the role of the BLSS in enabling them to complete new venture creation activities. The demographic profile of the sample of participants also shows a bias towards individuals who could start ventures without government funded support based on their age, education, work experience and entrepreneurial experience. The source of such referrals is attributed to the partnerships and local networks such as banks. The discussions around support reveal that the delivery system was more about meeting targets and not helping individuals to progress from one stage to another. This is evident in the interviews and supported by the additional nascent entrepreneurs view. The individual or silo approach to meeting targets was due to the contract measures and output structure. The survey data is an appraisal of the extent to which nascent entrepreneurs are identified, supported and progressed to new venture creation (NVC). The survey data supports the qualitative findings about the possibility of 'cherry picking' and 'quick and dirty' outputs in the delivery of business support.

The proposed model and new measures proposed in Chapter 7 take into account the different 'entering' stages of NEs and the services they may need from the start-up support system. The importance of pre and post BLSS development is key form of measuring impact and ensuring progressive development. Activity and stage based evaluation is essential to allow (and ensure) individual progression.

### **8.3. Accuracy and Validity of Methods**

This study takes into account the challenges of assessment in government funded support programmes, among them principal-agent theory, the contracts, short term outputs, 'hard vs. 'soft' outcomes', and issues around measuring the long-term outcomes. This study is an assessment of the Business Link Start-up Support (BLSS) and its role in assisting individuals

to progress to new venture creation. Entrepreneurship development and new venture creation are multifaceted processes influenced by several variables (environment, resources, business idea among others). Despite the challenges of programme assessment it still remains essential that programmes are evaluated pre, during, and post implementation. The reporting systems for business support programmes (similar to BLSS) as discussed in Chapter 5 and 6 need to include subjective measures such as attendance, participant satisfaction, programme referrals and reputation and objective measures include subsequent performance of participants (setup, venture growth and profitability). The need for a control group in this study is addressed by the inclusion of different outcome participants and validation of feedback through personal files and RBSIS.

Storey (2000) notes that the objectives of entrepreneurial development programmes are not clearly stated thus making it difficult to measure success and failure of such programmes. The evaluation in this study takes cognisance of the 'proximate outcomes' (the ones that can actually be measured) and 'ultimate outcomes' (the ones that one would really want to measure). This minimises the challenge with some of the broadly defined aims and objectives of the BLSS contract. In previous evaluation studies the enumerating of outcomes, according to Lyons (2003, p99), 'tends to elicit behaviours that reflect a focus on the survival of the assistance organisation at the expense of true useful service to the entrepreneur...' In line with Lyons (2003) the BLSS contracts output and outcome targets made it important for BLCs to find numbers for their survival other than ensuring individual progression. This study uses entrepreneurship theory (new venture creation activities and entrepreneurial development stages) to assess the role of BLSS in the development of nascent entrepreneurs and this is a move away from the 'hard' outputs and outcomes as set in the terms of reference of the 2007-10 BLSS contract.

#### **8.4. Transferability and Limitations**

According to Bloom (1969) the purpose of research is to evaluate, synthesize and apply knowledge. This study is unique in many aspects in that it brings entrepreneurial theory of nascent entrepreneur development (Aldrich and Martinez, 2001 and GEM, 2008) and the theory of organising (activities) combined with a review of nascent entrepreneurial support. It is the first study to carry out a study of the BLSS 2007-10 using a multi-method approach to evaluation. This development approach (qualitative-quantitative-qualitative) was key in the development of the entrepreneurship support model. The themes, experiences and lessons learnt in this study are transferrable to other regions for both evaluation and programme design.

The study has some limitations. The mixed method approach used in this study provides the context of this study, however a larger sample follow-up study could further explore and explain the human capital factors, intervention and outcomes in more detail using multivariate analysis and advanced regression modelling. This is an aspect for the further research as part of the recommendations for future research emerging from this study.

Secondly, this study looks at one region (five counties) and explores the delivery of BLSS delivery between 2007 and 2010. The results of this study though, transferrable to other government funded business support projects, are not generalisable to every business support context. The research tools could be adapted across the UK (interview guides and questionnaire) to fit the context of specific programmes. The new business creation support policy and national framework for England is defined by the Department of Business Innovation and Skills (BIS) therefore some aspects are transferrable. However, local context of start-up support remains important in evaluations as shown through-out the discussion in chapter 5.

### 8.5. Contribution to Knowledge

This section examines the contribution made to theoretical and practitioner knowledge. Table 8-1, 8-2, and 8-3 summarise the theoretical and practical contribution to knowledge. The over-arching theme of knowledge contribution in this study emerges from the application of entrepreneurial theory and mixed method approach to review the East Midlands business start-up support programme.

**Table 8-1 Contribution to Theory**

| Theory  | Variations and Critique from Results of Study  | Contribution / Addition  |
|---|--|--|
| <p>Carter et al, 1996 demonstrate that the number of start-up activities completed and the speed of completing them is positively related to starting a new business.</p> <p>Aldrich and Martinez (2001, p.45) state that nascent entrepreneurs compress many activities in the founding period</p> | <p>The study shows that the new venture creation activities (1-13) were not relevant to the nascent entrepreneurs supported through the BLSS. The completion of new venture creation activities was not linked to the stage of nascent entrepreneur development. This is attributed to the types of businesses that were recorded as start-ups under the BLSS programme, which were mostly lifestyle businesses. The prescribed list of new venture creation activities was mostly irrelevant to participants as discussed earlier (sections 1.5, 3.5, 5.15, and 6.7).</p> | <p>New venture creation activities are irrelevant to ‘informal’ type of start-ups. Nascent entrepreneurs starting lifestyle businesses did not need to apply for licences, rent premises, hire employees etc. However, the business plan was relevant to businesses at all three stages. All newly created businesses had completed a business plan.</p> |
| <p>Becker, 1975; Cooper et al., 1994; Shane, 2000; Delmar and Davidsson, 2003 note that human capital is applicable to new venture creation and is traditionally measured in terms of an individual’s age, parental background, gender, and education. A study</p>                                  | <p>This study shows that age, work experience and education are important human capital factors in the new venture creation process. The majority nascent entrepreneurs who started had over 10 years work experience, over the age of 30 and educated to degree level and above. However, the study shows a balance on the gender (male and female) distribution at all stages of the</p>   | <p>Human capital factors are essential to new venture creation. Contrary to Delmar and Davidsson (2003), gender was not a key discriminator for BLSS supported entrepreneurs. This is</p>  |



| Theory  | Variations and Critique from Results of Study  | Contribution / Addition   |
|---|--|---|
| <p>by Delmar and Davidsson (2000) confirmed previous research finding that employment status, age, gender, education and experience are important factors in one becoming an entrepreneur. Gender emerged the strongest distinguishing factor with more men more likely to start new ventures</p> <p>Aldrich and Martinez (2001) state that entrepreneurial experience is important and more entrepreneurs in subsequent founding attempts, according to, succeed in creating new ventures.</p> | <p>new venture creation process. The balance could be attributed to women only business support initiatives in the East midlands region. This is a subject for further research and development and is highlighted in section 8.6.</p> <p>This study shows that the majority of the individuals that managed to start a new business (48 out of 59) had no prior entrepreneurial experience.</p> | <p>noted as an area of further research.</p> <p>Prior entrepreneurial experience was not important in new venture creation.</p>             |
| <p>Reynolds, 2000) defines entrepreneurship as a process with four phases; (i) conception (ii) gestation (iii) infancy and (iv) adolescence.</p> <p>Bosma et al (2008) state that entrepreneurial activity shows the various stages of entrepreneurial development from conception to established organisation</p>  | <p>This study shows that the completion or non-completion of new venture activities is not linked to entrepreneurial stage of the BLSS supported entrepreneurs. This supports an earlier assertion that the list of new venture creation activities is not relevant to 'lifestyle' businesses.</p>   | <p>NVC creation activities were not relevant to the BLSS supported entrepreneurs and the types of businesses that they were setting up.</p> |

**Table 8-2 Contribution to Practice**

| Practical Approach                        | Variations and Critique from Results of Study  | Contribution  |
|---|--|---|
| <p>The needs of nascent entrepreneurs</p> | <p>The needs of nascent entrepreneurs were predefined into the BLSS. The provision of standardised pre-packaged training and information services in addition to diagnostic and advisor support was designed to cater for varying needs of nascent entrepreneurs. The exclusion of start-up finance in the BLSS service created a service gap which was acknowledged at all participant levels (funding, provider and nascent entrepreneurs). In addition to the lack of start-up finance, it is evident from the analysis that there was limited follow-up and the nascent entrepreneurs had limited awareness of the BLSS service and 'unmet' needs.</p> | <p>Start-up finance is an essential component of start-up service and as demonstrated in chapter 5 and 6. Service providers and nascent entrepreneurs concurred on the importance of start-up finance to new venture creation.</p>  |
| <p>The output and outcome measures.</p>   | <p>This study separates the BLSS product (which was an informed product proposition) and the contract delivery. The contracts and argued by Ross and Freeman, Romzek and Johnston (2005) etc do have an impact on service delivery and can overshadow the product/programme. The inherent measures in the BLSS contract caused a series of dysfunction in the delivery of the BLSS. The separate and high targets for training and business support resulted in a silo approach to service delivery.</p>   | <p>A progressive approach to service delivery is essential to allow and support individual progression from pre-start to start-up. The design and measurement of BLSS programmes has to be in a way that supports progressive growth and economic outputs. The social agenda also needs to be clearly stated.</p> |

Table 8-3 Contribution to both Theory and Practice

| Practical Approach             | Variations and Contribution  |
|--------------------------------|--|
| The entrepreneur support model | <p>The new venture creation and support model provides a framework that allows for effective monitoring and management of support. The entrepreneur development model, human capital theory and new venture creation activities are an essential part of this model. Literature shows that the completion of new business creation activities is important in establishing a new business however, this was disputed in this study. The survey data shows limited evidence of a relationship between the amount and quality of training with new business new venture creation.</p> <p>The 'new' model evolved from the literature review and data analysis and the model incorporates the lessons from the both the qualitative and quantitative data. The model is split into four broad factors which make the main components to the Entrepreneur Development Model which are: (i) nascent entrepreneur inputs, (ii) nascent entrepreneur support intervention (ii) new venture creation activities, and (iv) new venture creation outcomes.</p> <p>The important feature in this model is flexibility (of measures) and progressive monitoring and evaluation of business support. In addition the reference, use and incorporation of multiple perspectives of entrepreneurship research / literature and applying them to the assessment of the East Midlands BLSS Support. The entrepreneur's profile, the entrepreneurial activities, nascent entrepreneur development, opportunity identification and human capital (finance included and new venture creation (organising).</p> <p>Practitioner do not have the luxury to deal with business creation in isolation... the view of the whole NVC</p> |

| Practical Approach | Variations and Contribution  |
|--------------------|--|
|                    | <p>process as a holistic activity can drive forward the delivery of support. While the BLSS had a diagnostic element within it, it was not used effectively and made irrelevant when contractors began to attract direct clients. The use of a diagnostic tool to assess the human capital factors, entrepreneurial development and activities progress can help in identifying the needs and follow-up. The recording of entry and exit point 'status' is essential for measuring progress.</p> |

## **8.6. Recommendations for Further Research and Development**

**National Study:** This study is a unique exploration of BLSS in the East Midlands and within the scope of the study has fulfilled its research objectives. However, it also opens questions and areas of possible further research to build on existing knowledge by using larger and national samples. Cross regional and national studies would assist with comparatives on how BLSS was delivered across the 10 regions of England noting any similarities in themes and profile of individuals assisted. The variations in structure are documented in literature. However, as demonstrated in this study there are themes that underlie the delivery of the services. These aspects include delivery contracts, trust and principal agent relationship issues, measures and targets. Larger samples of over 500 participants in each region could help illuminate the quantitative data on profiling, progress and attribution of success or failure.

**Gender:** It is evident from this study that gender is not a key discriminator in nascent entrepreneurial status across the three stages of new venture creation. This variation from literature was attributed to the presence of women only business support programmes in the region. However, there is need to further develop this assertion by carrying out an evaluation of women only support programmes (WINE, Business4Women) that could have resulted in this gender balance.

**Activities:** There is scope for a stream of research focussing on the importance of the new venture creation activities and relate them to various types of businesses. This study shows that the new venture creation activities were mostly irrelevant to the BLSS supported nascent entrepreneurs.

**Subsequent Venture Growth:** This study can be developed in two or three years time to assess the link between the various factors (human capital, activities, stage of start-up) and subsequent venture growth.

## **8.7. Recommendations for Business Support Policy and Programmes**

This study shows how the BLSS contract was delivered in the East Midlands and there are lessons to learn for both contract managers and contractors.

There is a need for business support objectives to be clearly defined as either social and economic objectives or both (with the split of funding and outputs stated). There are a number of aspects that the BLSS contract would not measure such as inclusion of

disadvantaged groups in the region. An effective business start-up support system could allow and measure community development initiatives, especially when these are defined as key deliverables in the contract.

Start-up finance is a critical component of business support as shown in both the qualitative and quantitative data analysis. Financial capital, as highlighted by the BLCs' is one of the most obvious aspects of market failure especially in a 'credit crunch' economy. BLSS was not providing start-up finance. A successful start-up programme has to provide all elements of human capital including financial resources. However, the structure and delivery of start-up finance has to be sustainable to cover of operating expenses and manage repayments.

The marketing of the BLSS as a regional product was not adequate to support contractors in delivering and meeting output targets. The BLSS contract in the way that it defined the marketing terms and measures posed challenges to delivery. Cooperation between the hub and the contractors was constrained because the Hub's penetration targets were not linked to the contractors' output targets. The recommendation is for contract managers to link measures across the various levels of service delivery and allow customised local marketing initiatives.

New measures that assess individual progression of individuals from one stage to another (activities and stage of new venture creation) could increase return on investment as individuals that have been supported are followed up with more support to start or for an exit record. The progression measures recommended would make the contract outputs attainable and progressive. The exit record process would aid in the 'repositioning' of the 'not started' as a positive outcome of start-up business support and 'not a number no-one wants to hear about' as discussed earlier.

## **8.8. Conclusion**

This study has discussed the delivery of BLSS and its context within the East Midlands. The regional structure was outlined and critiqued. The BLSS contract and its impact on service delivery were discussed. The analysis shows that while output targets/numbers are a standard way for a funding body to manage the delivery of enterprise support, the use of a small number of solely numerical targets led BLSS contractors to deliver the service in ways that delivered the 'numbers' required, without necessarily helping the development and progression of nascent entrepreneurs.

The BLSS was a product designed with the best of intentions that were thwarted by logical but 'inappropriate' rules and measures which meant that the number chasing was unavoidable. Evidence of complicit conspiracy shows that the BLCs, EMB and EMDA were all aware of the number chasing and inaccuracies in output reporting (interpretation and double counting). The outcomes were therefore suboptimal with the majority of businesses being lifestyle (taxi drivers and part-time) ventures. The providers within the BLSS framework describe their BLSS experiences as, to a larger extent, frustrating with the contract (targets, expectations), RBSIS limitations, and constrained county/ regional cooperation. As Blau (1963, p.37) noted that 'social scientists are only too familiar with the fact that the process of collecting information on people's activities influences these activities'. In short *'what was good for the contract was not good for the client'*.

In the period covered by this study (2007 – 2010) the funding body and contract manager clearly viewed a client that decided 'not to start' a new business as a negative output. However, it is evident from the interview and survey data that the 'not to start' decision was, in a few of the cases noted, entirely rational and appropriate and was valued by both contractors and nascent entrepreneurs. It is not until contractors and funders investigate the context within which the BLSS was delivered that a better understanding of the specific needs of nascent entrepreneurs emerges and an effective programme can be devised and delivered. This study makes a contribution to building an understanding of the individual needs of the sampled population of nascent entrepreneurs.

The BLSS between 2007 and 2010 did support many clients, albeit that some aspects of the service (training and the advisor sessions) received high usage while other aspects were used less (internet and telephone service). However, it was also noted that most of the clients that managed to new businesses were well educated, experienced, and invested their own resources in the process of new venture creation. It would be interesting to conduct further analysis to identify the extent to which these clients were 'cherry picked' in order to give the contractors output numbers that were 'easy wins'. The BLSS provision had its positive elements and the providers agree that they could only provide meaningful support once the high targets had been met. In some instance BLCs extended their influence across counties (social initiatives) and extend markets solely for their own satisfaction.

Entrepreneur support and new venture creation remain central to the UK Government's economic recovery strategy from 2010 onwards. The 'new' start-up support model developed in this study would allow individual progression, improved measurement, increased quality of

outputs, and maximisation of return on investment while at the same time fulfilling specific social and economic objectives.

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**Appendices**

#### **A.1. Contract Manager Maker Interview Guide:**

1. What is your interpretation of Government policy on entrepreneurial support?
2. How is the business support structured in the East Midlands / County?
3. What is Business Link and what have been your experiences with the brand?
4. How is the BLSS contract translated into action?
5. What is your assessment of the start-up support system in the region?
6. How do you identify nascent entrepreneurs?
7. Would you please explain the ideal path of a nascent entrepreneur's inquiry?
8. What do nascent entrepreneurs need (in terms of support) to start a business?
9. Are you able to identify those who start and why they manage to do so?
10. Are you able to identify those who are still trying / given up and why they do so?
11. What do you consider as the main reason for many people failing to start?
12. At what point do you record a new business as a start-up?
13. How do you measure performance?
14. Is there any room for improving type of structure
15. Do you think the BLSS provides adequate for nascent entrepreneur's progression to start up?
16. How can the mode of delivery be further developed?
17. If it was an ideal world, what would the start-up service in the East Midlands be like??

## **A.2. BLC Interview Guide:**

1. What is your assessment of the start-up support system in the region?
2. How do you measure performance and what factors have influenced this?
3. How do you identify nascent entrepreneurs?
4. How would you describe the journey of a nascent entrepreneur?
5. At what point do you record a nascent entrepreneur as a start up?
6. Would you please explain the ideal path of a nascent entrepreneur's inquiry?
7. Would you please explain the ideal path of a nascent entrepreneur's path to start-up?
8. What do nascent entrepreneurs need (in terms of support) to start a business?
9. Are these needs any different across segments within your target market?
10. Do you think the support you provide is adequate for nascent entrepreneur's progression to start up?
11. What kind of businesses do your 'clients' tend to start?
12. What is your enquiry to start-up ratio?
13. Are you able to identify those who start and why they manage to do so?
14. Are you able to identify those who are still trying / given up and why they do so?
15. Do you think there is room for improving enterprise support?
16. How can the mode of delivery be further developed?



### A.3. Invitation Letter – Business Link Start up Service Research Study

09 June 2010

My name is Tambudzai Mangezi. I am a postgraduate student in the Northampton Business School at The University of Northampton. I am conducting a research study as part of the requirements of my research degree and would like to invite you to participate in this study titled '*Entrepreneurship Support and Development Programmes in the East Midlands: A critical examination of BLSS support of nascent entrepreneurs in the region*'. This study is sponsored by the Northampton Business School and supported by Business Link and the East Midlands Development Agency (EMDA).

The aim of this project is to critically examine the existing entrepreneurship development support in the East Midlands. The study therefore seeks:

- To investigate existing publicly funded entrepreneurial development and support structures in the region
- To appraise the extent to which nascent entrepreneurs are identified, supported and progressed to starting a new business
- To develop an enterprise support model for the East Midlands for a wider application

If you decide to participate, you will be asked to fill in a questionnaire. Participation is confidential. The report will be anonymous, which means that it will not reveal your answers. You have a right not to participate in this study and can withdraw at any time. Study information will be kept in a secure location. The results of the study may be published or presented at academic and professional meetings, but your identity will not be revealed.

We hope that this project will benefit policy makers, service providers and nascent entrepreneurs in developing and delivering business support and development services. We will be happy to answer any questions related to the study. You may contact me on 01604 892929 and tambudzai.mangezi@northampton.ac.uk if you have a question or problem. If you have a complaint about the conduct of this study, you can contact Professor Simon Denny on simon.denny@northampton.ac.uk.

Thank you for taking the time to read this letter. It is only through your support that this project can succeed and we hope that you will take part. If you would like to participate, please sign the attached consent letter attached form and return it to the address below.

With kind regards,

Tambudzai Mangezi

**A.4. Consent Form**

I have read and understood the invitation letter and the researcher has answered any questions I wanted to ask about the project.

- 1. I have read and understood the project aims and objectives
- 2. I appreciate that my participation is voluntary and I am free to quit at anytime without giving a reason.
- 3. Within the confines of the law, the researcher will not give any personal information about me to anyone else.
- 4. I understand that the researcher will ensure that my answers remain anonymous which means that the report will not reveal my identity.
- 5. I understand that reports and publications may be written about this research, and that nothing identifying me will ever be made public unless I have agreed and in which case I will be given a pseudonym.
- 6. I give permission for my views to be captured and be used in publications from the study and I understand that they will not be used for any other purpose.

I have read all the above points; I understand them and would like to take part in the research.

Name:.....  
Signed:.....  
Date:.....

#### **A.5. Email with Incentive:**

Dear Research Participant

You are being invited to take part in a research survey about the Business Link Start-up Service.

#### **Why you?**

Whether you have started a business, or you are about to, or are even just thinking about it we want to hear from you!

#### **What?**

We want to know the entire why's, how's, when's, and what's of your **Business Link Start up Service** experience.

#### **Why?**

Because we hope to improve the services provided to potential and start-up entrepreneurs in future.

#### **Why complete this survey?**

As a token of appreciation every participant wins a prize. It would be great if you completed the survey before the Slovenia vs. England match on 23 June 2010. You will win one of the many £10 iTunes vouchers or £10 Tesco vouchers. The survey will remain open until 20 June 2010.

Please follow the **link below** and complete the survey, it will take you about 15minutes. Also find attached information about the study and confidentiality. Thank you

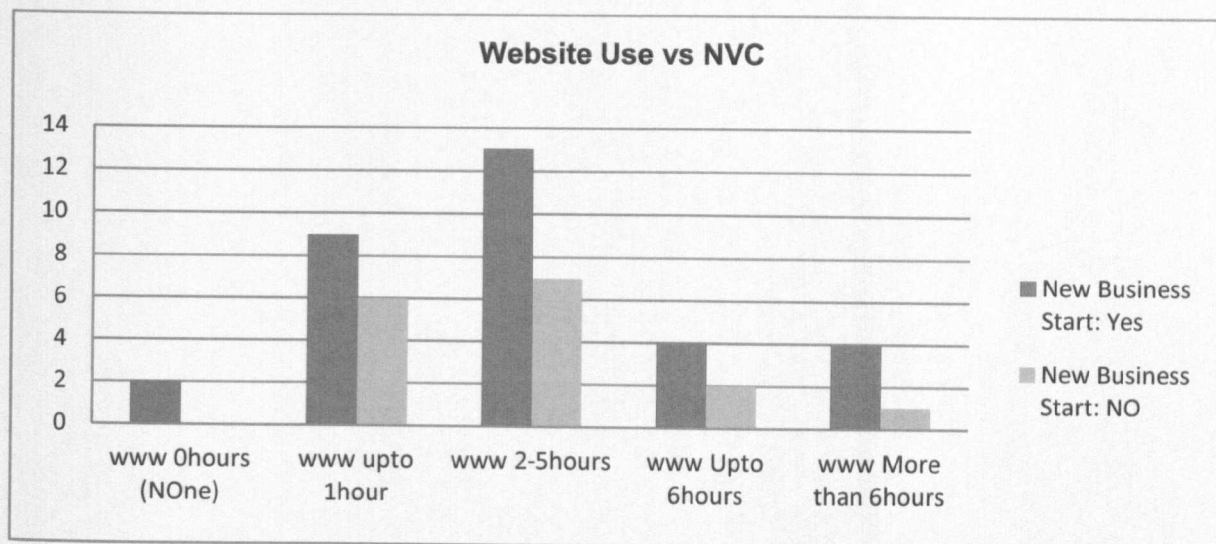
<http://www.webropol.com/P.aspx?id=452068&cid=56210073>

Best Regards,

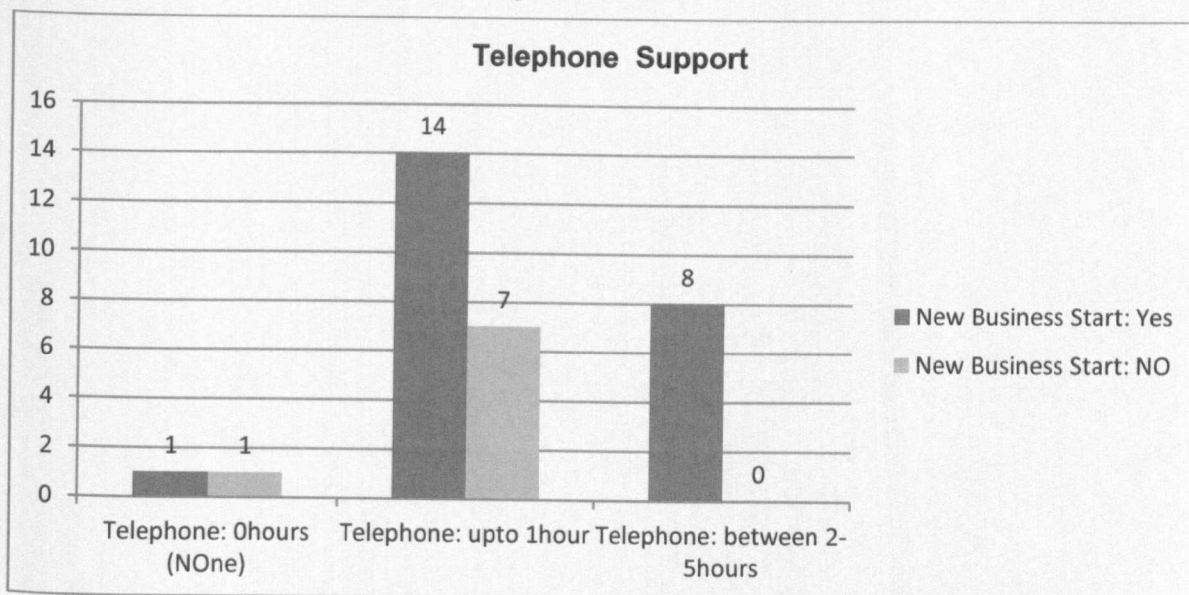
Tambu

## A.6. Services Usage

**Figure 10-1 Website Usage and NVC**



**Figure 10-2 Telephone Support Usage and NVC**



A.7. Attribution Activities to Assistance

Figure 10-3: Business Support helped with Finance

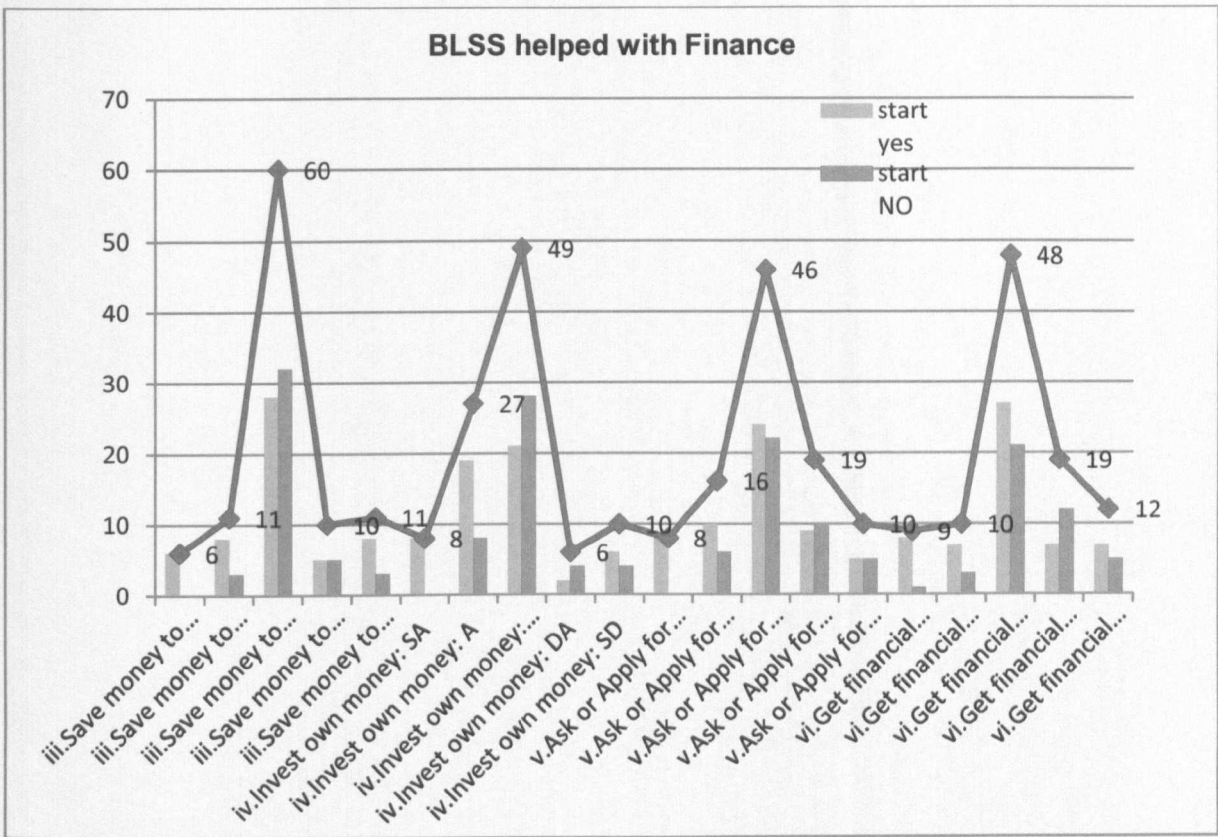


Figure 10-4: Business Support helped with Team organising and hiring

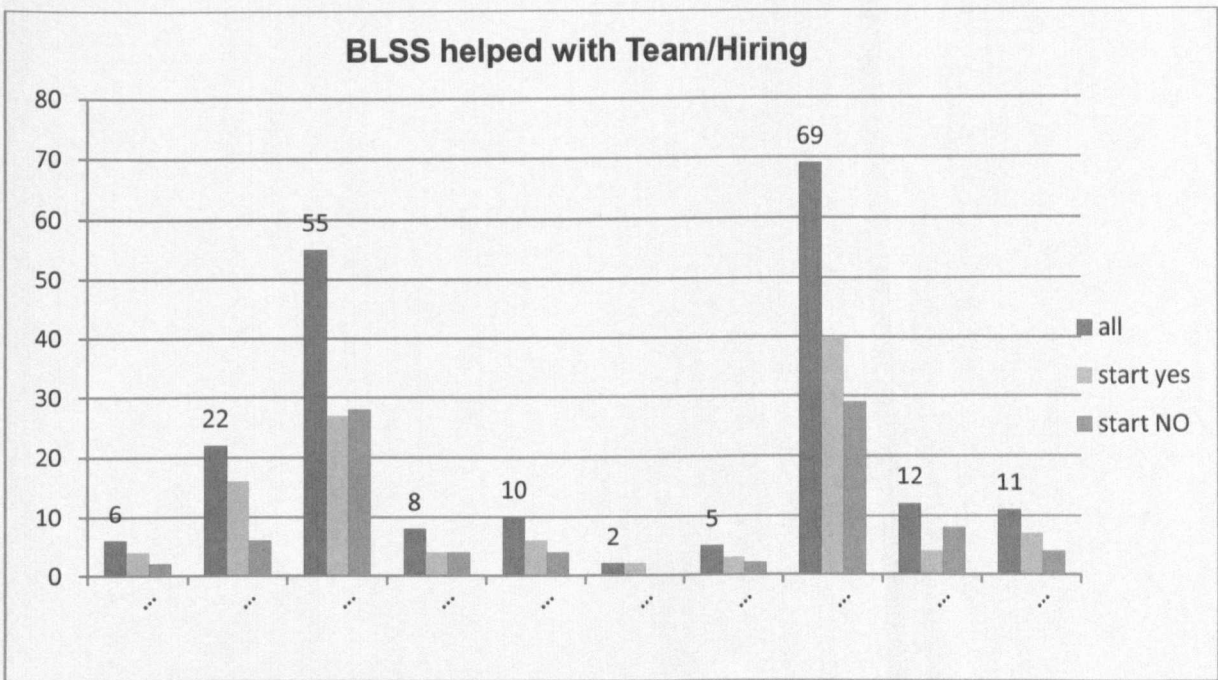




Figure 10-5: Business Support helped with Business Premises or Facilities

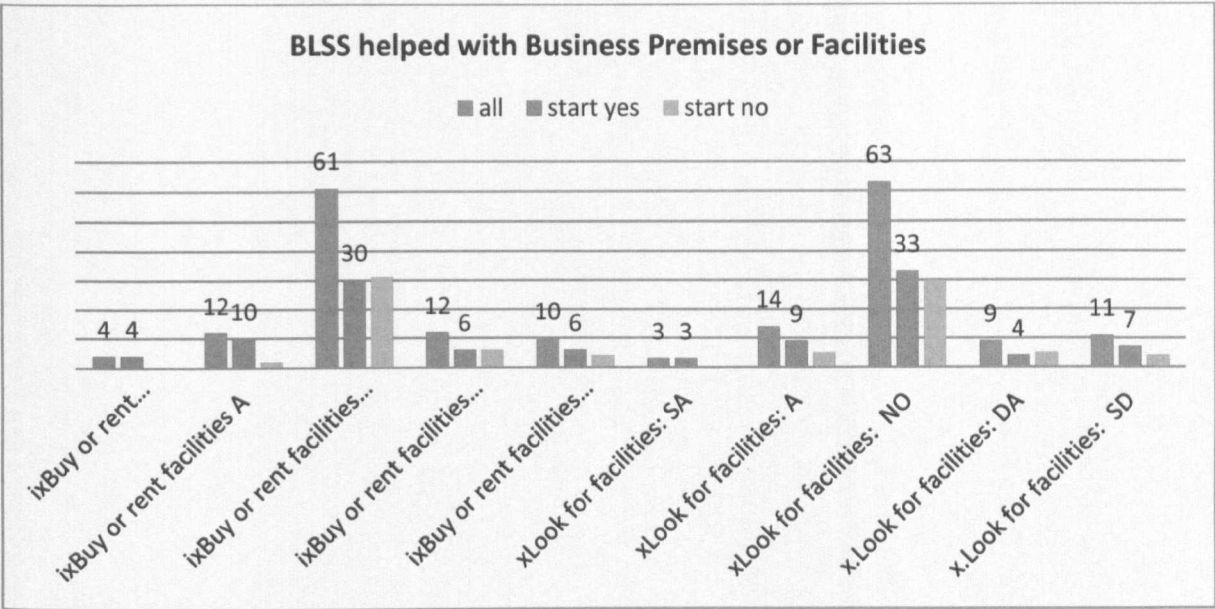
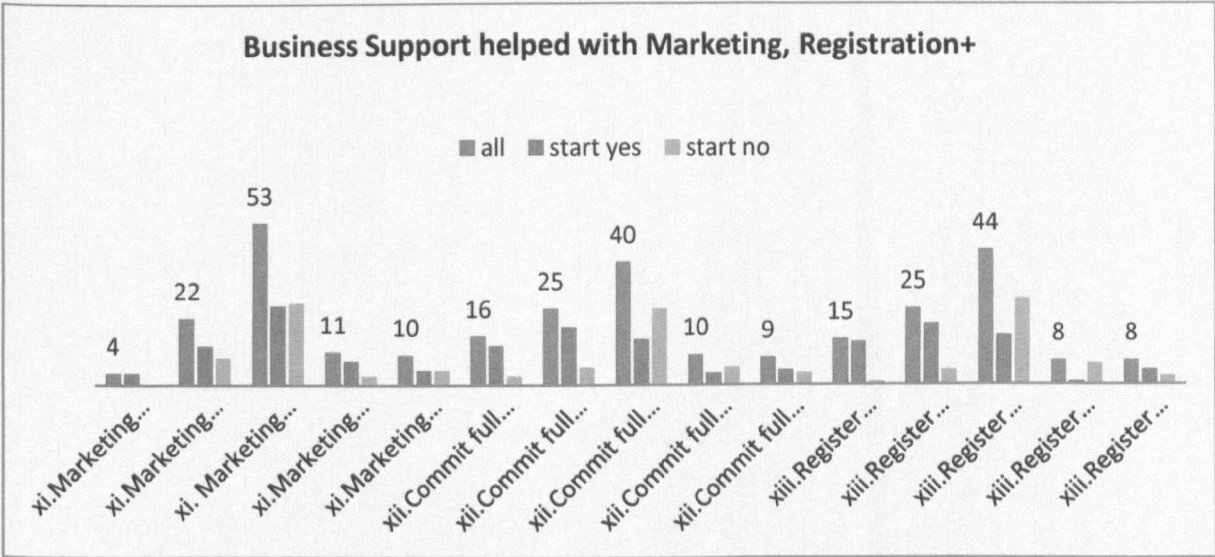


Figure 10-6: Business Support helped with Marketing Material, Business Registration and Commitment full-time to new business



## A.8. Personal File Study

**Table 10-1 File 1**

|   |   |
|---|---|
| <b>Pseudonym</b>                          | <i>PM<sup>1</sup></i>   |
| <b>Gender</b>                             | <i>Female</i>   |
| <b>Age</b>                                | <i>45-60 years</i>  |
| <b>Ethnicity</b>                          | <i>Black or Black British</i>   |
| <b>Status (at 1<sup>st</sup> contact)</b> | <i>Pre-Start</i>  |
| <b>Status (now)</b>                       | <i>Pre-Start</i>  |
| <b>First Intervention Date</b>            | <i>25 April 2009</i>  |
| <b>Work Experience</b>                    | <i>+10 years</i>  |
| <b>Education</b>                          | <i>College Diploma</i>  |
| <b>Services</b>                           | <i>6 training workshops (36 hours)<br/>1 Meeting with Advisor</i>   |
| <b>Activities (Pre-BLSS)</b>              | <i>12 not started<br/>1 completed (business plan)</i>   |
| <b>Activities (Post-BLSS)</b>             | <i>6 No opinion<br/>7 strongly disagree</i>   |
| <b>Motivation to start a business?</b>    | <i>'Economical climate. I am off recruitment so when made redundant decided instead of registering with agency I could do it myself, call and deal and work for clients directly but because I am a corporate recruitment, it has to be done very professionally and that take money'</i>   |
| <b>Additional Needs</b>                   | <i>'The staff at xxx were lovely the business mentor was useless, I believe they threw him out eventually, the mentor/advisor bit... that was extremely frustrating'<br/>'With me its all about funding but nowhere can I get financial support'</i>  |
| <b>Comments</b>                           | <i>'Training courses were absolutely fantastic, made up for all the other rubbish parts of the Business Link service'<br/>'the advisor was absolutely useless, complete waste of time'<br/>'I am still a pre-start because doing it with no funding and of full benefits. I can only do bit by bit when I manage to save a tit bit, but with two growing boys that's not often'</i> |

**Table 10-2 File 2**

|   |  |
|---|--|
| <b>Pseudonym</b>                          | <i>DC<sup>1</sup></i>  |
| <b>Gender</b>                             | <i>Male</i>  |
| <b>Age</b>                                | <i>45-60 years</i>   |
| <b>Ethnicity</b>                          | <i>White</i>   |
| <b>Status (at 1<sup>st</sup> contact)</b> | <i>Pre-Start</i>   |
| <b>Status (now)</b>                       | <i>Pre-Start</i>   |
| <b>First Intervention Date</b>            | <i>04 December 2009</i>  |
| <b>Work Experience</b>                    | <i>+10 years</i>   |
| <b>Education</b>                          | <i>Bachelors Degree</i>  |
| <b>Services</b>                           | <i>3 meetings with Advisor</i>   |
| <b>Activities (Pre-BLSS)</b>              | <i>10 not started</i><br><i>3 started (business plan, save money and marketing material)</i> |
| <b>Activities (Post-BLSS)</b>             | <i>7 Agree</i><br><i>6 No Opinion</i>  |
| <b>Motivation to start a business?</b>    | <i>'to be in charge of own destiny'</i>  |
| <b>Additional Needs</b>                   | <i>none</i>  |
| <b>Comments</b>                           | <i>none</i>  |



**Table 10-3 File 3**

|   |  |
|---|--|
| <b>Pseudonym</b>                          | <i>PJ<sup>1</sup></i>  |
| <b>Gender</b>                             | <i>Male</i>  |
| <b>Age</b>                                | <i>45-60 years</i>   |
| <b>Ethnicity</b>                          | <i>White</i>   |
| <b>Status (at 1<sup>st</sup> contact)</b> | <i>Established Business</i>  |
| <b>Status (now)</b>                       | <i>Established Business</i>  |
| <b>First Intervention Date</b>            | <i>01 April 2009</i>   |
| <b>Work Experience</b>                    | <i>+10 years</i>   |
| <b>Education</b>                          | <i>Bachelors Degree</i>  |
| <b>Services</b>                           | <i>3 meetings with Advisor<br/>1 training session</i>  |
| <b>Activities (Pre-BLSS)</b>              | <i>8 not started<br/>3 started (marketing material, fulltime hours at business, register business)</i> |
| <b>Activities (Post-BLSS)</b>             | <i>13 No Opinion</i>   |
| <b>Motivation to start a business?</b>    | <i>'long-term unemployed and unable to obtain full time employment'</i>                                |
| <b>Additional Needs</b>                   | <i>none</i>  |
| <b>Comments</b>                           |  |

**Table 10-4 File 4**

|   |  |
|---|--|
| <b>Pseudonym</b>                          | <i>GU<sup>1</sup></i>  |
| <b>Gender</b>                             | <i>Female</i>  |
| <b>Age</b>                                | <i>45-60 years</i>   |
| <b>Ethnicity</b>                          | <i>Black British</i>   |
| <b>Status (at 1<sup>st</sup> contact)</b> | <i>Pre-Start</i>   |
| <b>Status (now)</b>                       | <i>Established Business</i>  |
| <b>First Intervention Date</b>            | <i>17 November 2009</i>  |
| <b>Work Experience</b>                    | <i>+10 years</i>   |
| <b>Education</b>                          | <i>Bachelors Degree</i>  |
| <b>Services</b>                           | <i>1 training session</i>  |
| <b>Activities (Pre-BLSS)</b>              | <i>11 not started</i><br><i>2 started (fulltime hours at business, register business)</i>              |
| <b>Activities (Post-BLSS)</b>             | <i>8 Strongly Disagree</i><br><i>2 No Opinion</i><br><i>2 agree (business plan and work full time)</i> |
| <b>Motivation to start a business?</b>    | <i>'Opportunity and experience'</i>  |
| <b>Additional Needs</b>                   | <i>none</i>  |
| <b>Comments</b>                           |  |

**Table 10-5 File 5**

|   |   |
|---|---|
| <b>Pseudonym</b>  | <i>JC<sup>1</sup></i>   |
| <b>Gender</b>   | <i>Male</i>   |
| <b>Age</b>  | <i>31-45 years</i>  |
| <b>Ethnicity</b>  | <i>White</i>  |
| <b>Status (at 1<sup>st</sup> contact)</b>                         | <i>Start-up</i>   |
| <b>Status (now)</b>   | <i>Established Business</i>   |
| <b>First Intervention Date</b>                                    | <i>01 December 2009</i>   |
| <b>Work Experience</b>  | <i>+10 years</i>  |
| <b>Education</b>  | <i>Vocational Qualifications</i>  |
| <b>Services</b>   | <i>1 Meeting with Advisor<br/>2 training sessions</i>   |
| <b>13 New Venture Activities: Stage (Pre-BLSS)</b>                | <i>9 not started<br/>3 started (hire employees, invest own money, fulltime hours at business)</i>   |
| <b>13 New Venture Activities: Attribution to BLSS (Post-BLSS)</b> | <i>8 No Opinion<br/>3 Agree<br/>2 Disagree</i>  |
| <b>Motivation to start a business?</b>                            | <i>'I'd rather work hard for myself rather than being stuck in a 9-5 job'</i>   |
| <b>Additional Needs</b>   | <i>Finance, money planning, understanding VAT</i>   |
| <b>Comments</b>   | <i>'the training I received in the business start-up and sales and marketing helped me see another side to things and has helped me a long way'</i> |

**Table 10-6 File 6**

|   |   |
|---|---|
| <b>Pseudonym</b>                          | <i>SL<sup>1</sup></i>   |
| <b>Gender</b>                             | <i>Female</i>   |
| <b>Age</b>                                | <i>31-45 years</i>  |
| <b>Ethnicity</b>                          | <i>Black or Black British</i>   |
| <b>Status (at 1<sup>st</sup> contact)</b> | <i>Start-Up</i>   |
| <b>Status (now)</b>                       | <i>Established Business</i>   |
| <b>First Intervention Date</b>            | <i>01 December 2009</i>   |
| <b>Work Experience</b>                    | <i>+10 years</i>  |
| <b>Education</b>                          | <i>Bachelors Degree</i>   |
| <b>Services</b>                           | <i>3 Meeting with Advisor</i><br><i>3 training sessions</i>                               |
| <b>Activities (Pre-BLSS)</b>              | <i>11 not started</i><br><i>2 started (register business, fulltime hours at business)</i> |
| <b>Activities (Post-BLSS)</b>             | <i>8 No Opinion</i><br><i>3 Agree</i><br><i>2 Disagree</i>                                |
| <b>Motivation to start a business?</b>    | <i>'was made redundant but used my skills for something else'</i>                         |
| <b>Additional Needs</b>                   | <i>none</i>   |
| <b>Comments</b>                           | <i>'overall I think its an excellent service'</i>   |

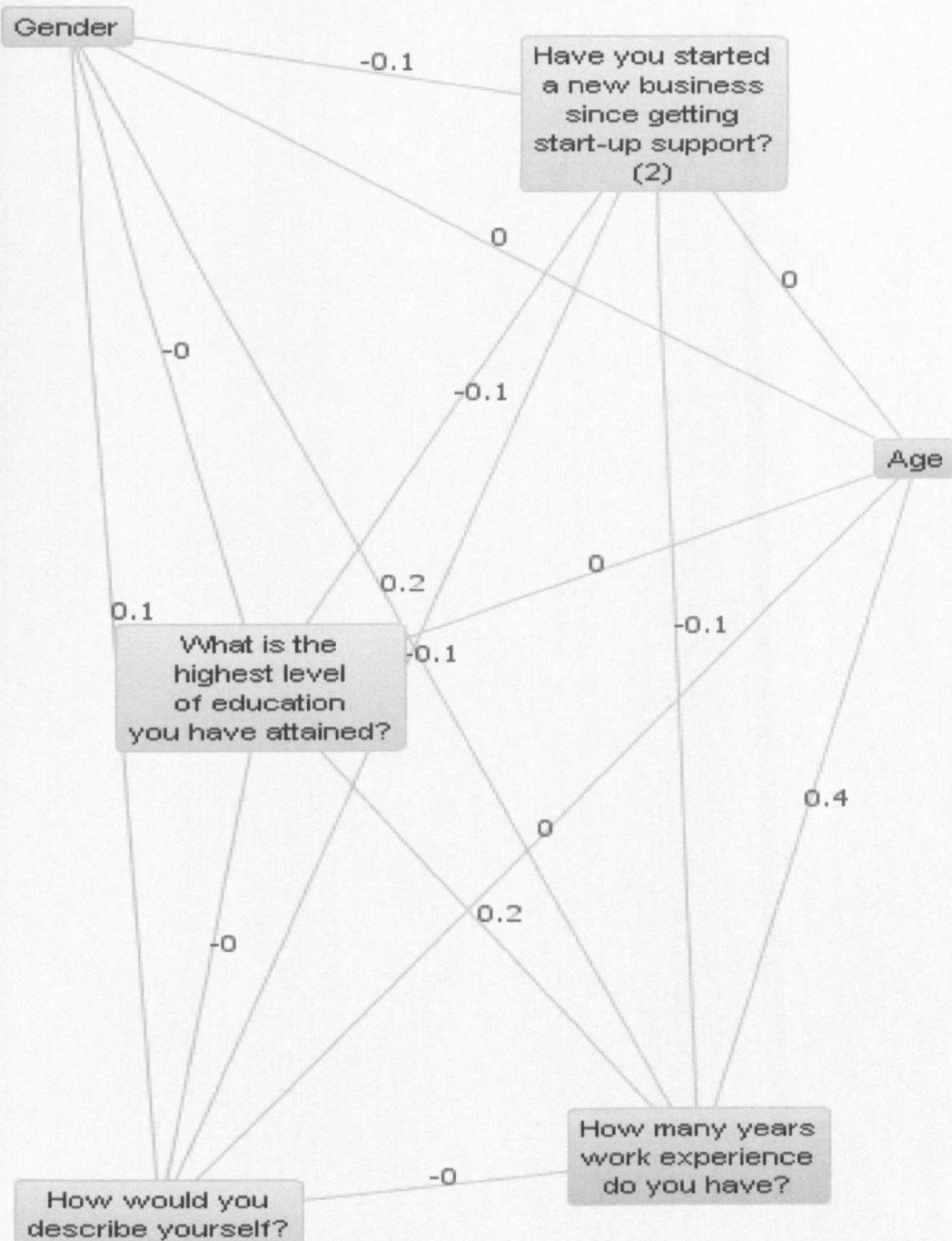
#### **A.9. Not Started**

A further analysis of the individuals who did not start a new business is highlighted in these quotations (each quote represents a participant):

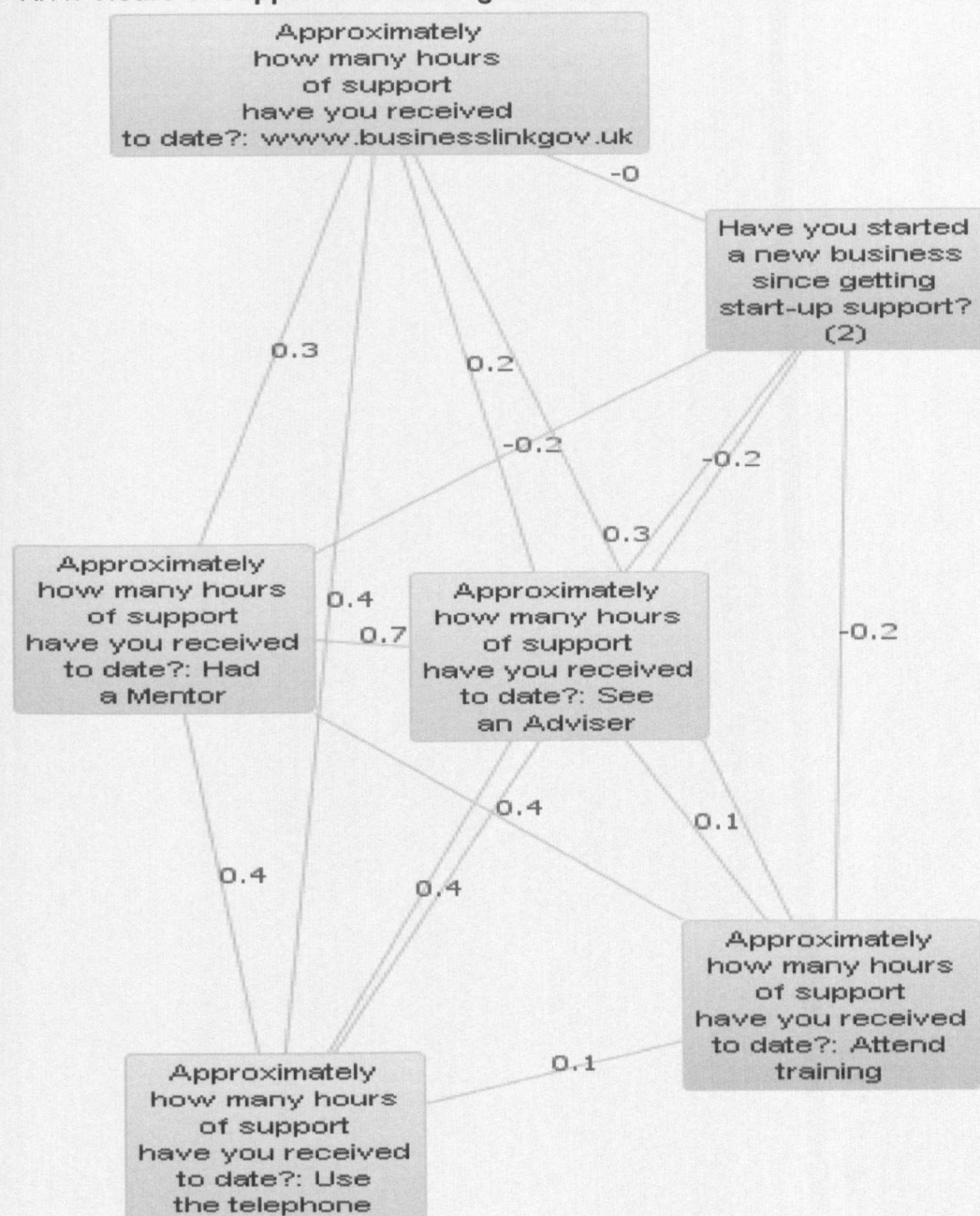
- *I am now working for an umbrella company;*
- *I have since forgotten about the idea;*
- *I have not started, I found a job;*
- *Failed business;*
- *Gone off the idea;*
- *Back in full time employment;*
- *I am still at start up coz doing it with no funding and on full benefits I can only do bit by bit when I manage to save a tit bit, but with two growing boys, that's not often; just coming up for the 1st year of trading at which time we should be breaking even and ready for me to draw a wage;*
- *Starting to get some business however dribs and drabs;*
- *I have not started a business;*
- *Made a loss, packed it in; and 1st Year was "wasted" now into 1st Year proper.*

These quotes are a testimony to a variety of individual situations or entrepreneurial development stages as defined in this study.

# A.10. Human Capital Factors and Starting

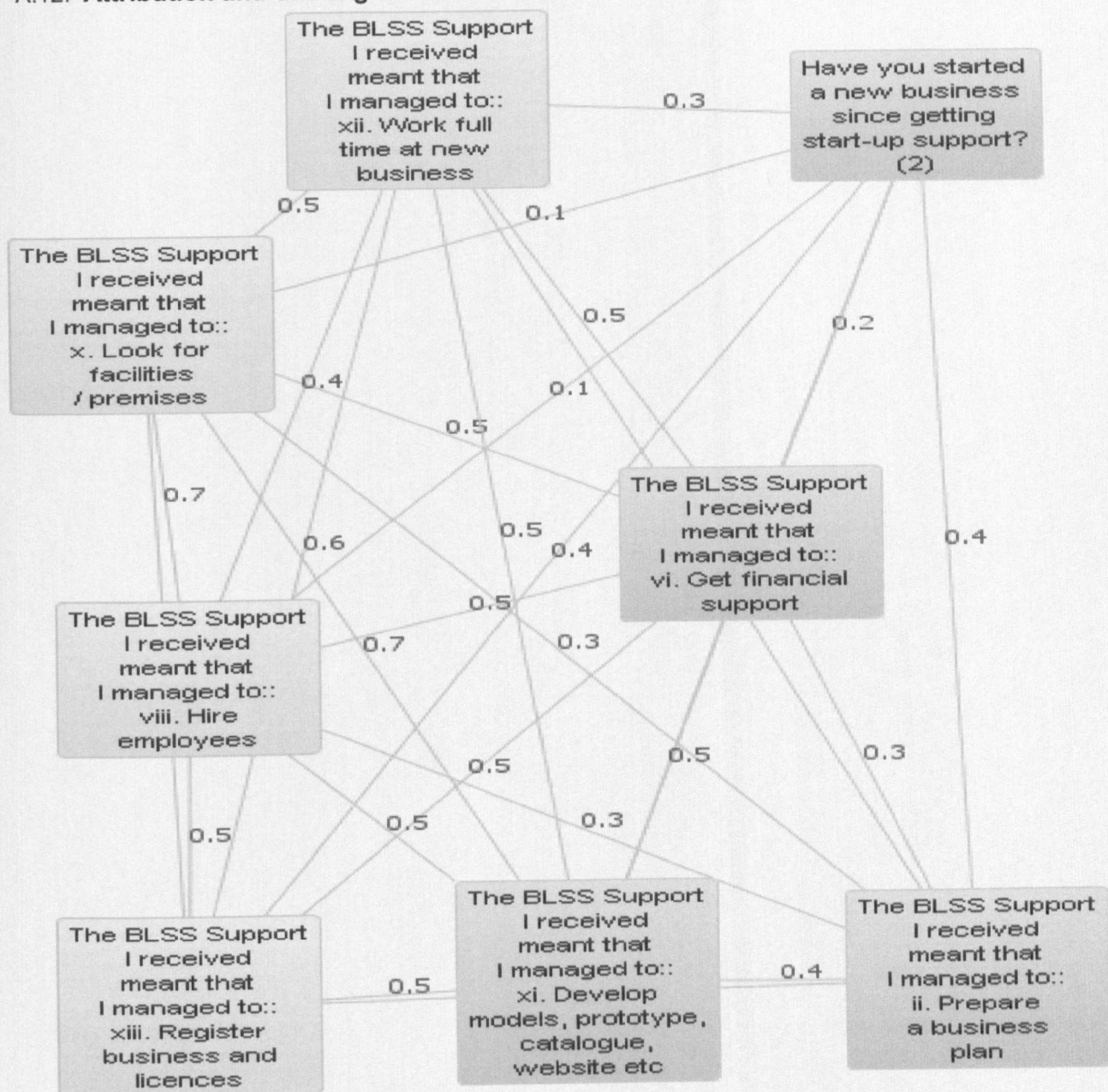


# A.11. Hours of Support and Starting New Business



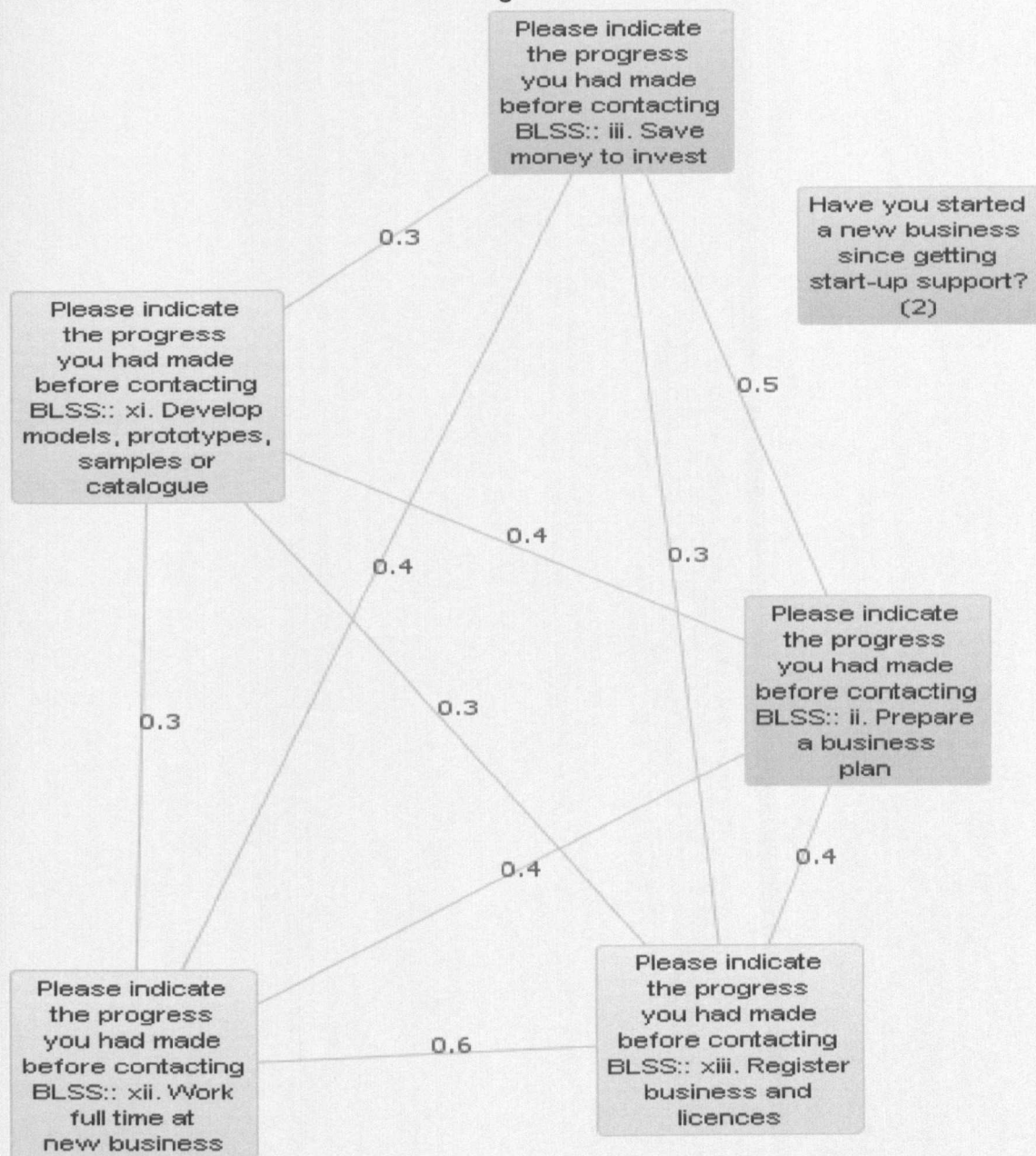


# A.12. Attribution and Starting a new Business





### A.13. Activities Pre-BLSS and Creating a New Business



## A.14. BLSS Survey Questionnaire (2010)

Print

### Business Link Start-Up Service (BLSS) Survey



Centre for Enterprise, Entrepreneurship and Corporate Governance, Northampton Business School, The University of Northampton, Park Campus, Boughton Green Road, NN2 7AL, Northampton Email: [tambudzal.mangezi@northampton.ac.uk](mailto:tambudzal.mangezi@northampton.ac.uk) Telephone: +441604892929 Mobile: +447748588952

My name is Tambudzal Mangezi. I am a PhD Research student in the Northampton Business School at The University of Northampton. I am conducting a research study on the Business Link Startup Service and I would like to invite you to participate in this study. The aim of this project is to critically examine the Business Link Startup Service in the East Midlands operating from April 2007 to March 2010. This study is sponsored by The Northampton Business School and supported by EMDA and Business Link East Midlands.

Your participation is confidential. The report will be anonymous, which means that any information you give will not be attributed to you.

This will take approximately 15minutes. I hope that you will be able to complete this questionnaire.

#### PLEASE NOTE:

In order to view or make changes to questions on the previous page, please use the PREVIOUS PAGE button in questionnaire. Avoid using the BACK button of your browser as this will expire the webpage.

1) When did you first have contact with the Business Link Start-up Service? [Score: 0]

DD.MM.YYYY

2) Have you ever started and run a business before you got start-up support? [Score: 0]

☐ Yes [Score: 0] ☐ No [Score: 0]

Sida 1

3) If yes when was the business started? [Score: 0]

DD.MM.YYYY

Sida 2

4) At what stage of starting a business were you when you contacted the BLSS? [Score: 0]

☐ Pre-Start [Score: 0]

☐ Start-Up [Score: 0]

☐ Established Business [Score: 0]

☐ other [Score: 0]

5) Please indicate the progress you had made before contacting BLSS: [Score: 0]

(For each of the 13 activities please state: not started, started or completed)

|   | Not Started<br>[Score: 0] | Started [Score: 0]    | Completed [Score: 0]  |
|---|---------------------------|-----------------------|-----------------------|
| i. Form legal entity (Limited company) [Score: 0]               | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| ii. Prepare a business plan [Score: 0]                          | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| iii. Save money to invest [Score: 0]                            | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| iv. Invest own money [Score: 0]                                 | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| v. Ask or apply for funding [Score: 0]                          | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| vi. Get / Receive financial support [Score: 0]                  | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| vii. Organize team (Partnerships and Networks) [Score: 0]       | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| viii. Hire employees [Score: 0]                                 | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| ix. Buy or rent facilities / equipment [Score: 0]               | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| x. Look for facilities [Score: 0]                               | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| xi. Develop models, prototypes, samples or catalogue [Score: 0] | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| xii. Work full time at new business [Score: 0]                  | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |
| xiii. Register business and licences [Score: 0]                 | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/> |



6) What type of assistance were you looking for when you contacted Business Link? [Score: 0]

- ☐ Business Idea generation [Score: 0]  
☐ Business Skills Training [Score: 0]  
☐ Legal and Tax Advice [Score: 0]  
☐ Confidence and Personal Support [Score: 0]  
☐ Start-Up Finance [Score: 0]   
☐ Other [Score: 0]

7) What support did you access from the Business Link start-Up Service? [Score: 0]

- ☐ Business Idea Generation [Score: 0]  
☐ Business Skills Training [Score: 0]  
☐ Legal and Tax Advice [Score: 0]  
☐ Coaching and Confidence Building [Score: 0]  
☐ Start-Up Finance [Score: 0]  
☐ Other [Score: 0]

8) Did you attend training, see an advisor, use the website, use the telephone or have a mentor? [Score: 0]

- ☐ Use www.businesslink.gov.uk [Score: 0]  
☐ Use the telephone [Score: 0]  
☐ Attend training [Score: 0]  
☐ See an Adviser [Score: 0]  
☐ Had a Mentor [Score: 0]  
☐ Other [Score: 0]

9) Approximately how many hours of support have you received to date? [Score: 0]

(Please select 0 hours for services you have not used)

|                                       | 0 hours<br>(None)<br>[Score: 0] | upto 1 hour<br>[Score: 0] | between 2-<br>5 hours [Score:<br>0] | Upto 6 hours<br>[Score: 0] | More than<br>6 hours [Score:<br>0] |
|---------------------------------------|---------------------------------|---------------------------|-------------------------------------|----------------------------|------------------------------------|
| www.businesslink.gov.uk<br>[Score: 0] | <input type="radio"/>           | <input type="radio"/>     | <input type="radio"/>               | <input type="radio"/>      | <input type="radio"/>              |
| Use the telephone [Score:<br>0]       | <input type="radio"/>           | <input type="radio"/>     | <input type="radio"/>               | <input type="radio"/>      | <input type="radio"/>              |
| Attend training [Score: 0]            | <input type="radio"/>           | <input type="radio"/>     | <input type="radio"/>               | <input type="radio"/>      | <input type="radio"/>              |
| See an Adviser [Score: 0]             | <input type="radio"/>           | <input type="radio"/>     | <input type="radio"/>               | <input type="radio"/>      | <input type="radio"/>              |
| Had a Mentor [Score: 0]               | <input type="radio"/>           | <input type="radio"/>     | <input type="radio"/>               | <input type="radio"/>      | <input type="radio"/>              |
| Other [Score: 0]                      | <input type="radio"/>           | <input type="radio"/>     | <input type="radio"/>               | <input type="radio"/>      | <input type="radio"/>              |

#### Dynamic Paging Rules

- Göm alternativ 'www.businesslink.gov.uk' when konkret alternativ som respondenten ej besvarat (Did you attend training, see an advisor, use the website, use the telephone or have a mentor?: Use www.businesslink.gov.uk)
- Göm alternativ 'Use the telephone' when konkret alternativ som respondenten ej besvarat (Did you attend training, see an advisor, use the website, use the telephone or have a mentor?: Use the telephone)
- Göm alternativ 'See an Adviser' when konkret alternativ som respondenten ej besvarat (Did you attend training, see an advisor, use the website, use the telephone or have a mentor?: See an Adviser)
- Göm alternativ 'Had a Mentor' when konkret alternativ som respondenten ej besvarat (Did you attend training, see an advisor, use the website, use the telephone or have a mentor?: Had a Mentor)
- Göm alternativ 'Other' when konkret alternativ som respondenten ej besvarat (Did you attend training, see an advisor, use the website, use the telephone or have a mentor?: Other)
- Göm alternativ 'Attend training' when konkret alternativ som respondenten ej besvarat (Did you attend training, see an advisor, use the website, use the telephone or have a mentor?: Attend training)

10) Please indicate how effective each service (used) was in assisting you: [Score: 0]

|  | Effective<br>[Score: 0] | Somewhat<br>Effective [Score:<br>0] | No<br>Opinion<br>[Score: 0] | Somewhat<br>Ineffective<br>[Score: 0] | Ineffective<br>[Score: 0] |
|--|-------------------------|-------------------------------------|-----------------------------|---------------------------------------|---------------------------|
| Use the web<br>(www.businesslink.gov.uk)<br>[Score: 0] | <input type="radio"/>   | <input type="radio"/>               | <input type="radio"/>       | <input type="radio"/>                 | <input type="radio"/>     |
| Use the telephone (0845)<br>[Score: 0]                 | <input type="radio"/>   | <input type="radio"/>               | <input type="radio"/>       | <input type="radio"/>                 | <input type="radio"/>     |

|                            |                       |                       |                       |                       |                       |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Attend Training [Score: 0] | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| See an Adviser [Score: 0]  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Have a Mentor [Score: 0]   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

#### Sida 6

11) The BLSS Support I received meant that I managed to: [Score: 0]

(For each of the 13 activities please select: strongly agree, agree, no opinion, disagree or strongly disagree)

|  | Strongly Agree<br>=SA [Score: 0] | Agree =A<br>[Score: 0] | No Opinion =<br>No [Score: 0] | Disagree = D<br>[Score: 0] | Strongly<br>Disagree =SD<br>[Score: 0] |
|--|----------------------------------|------------------------|-------------------------------|----------------------------|--|
| i. Form legal entity (Limited Company) [Score: 0]                | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| ii. Prepare a business plan [Score: 0]                           | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| iii. Save money to invest [Score: 0]                             | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| iv. Invest own money [Score: 0]                                  | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| v. Ask or Apply for funding [Score: 0]                           | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| vi. Get financial support [Score: 0]                             | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| vii. Organize team (Partnerships and Networks) [Score: 0]        | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| viii. Hire employees [Score: 0]                                  | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| ix. Buy or rent facilities / equipment [Score: 0]                | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| x. Look for facilities / premises [Score: 0]                     | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| xi. Develop models, prototype, catalogue, website etc [Score: 0] | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| xii. Work full time at new business [Score: 0]                   | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |
| xiii. Register business and licences [Score: 0]                  | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>         | <input type="radio"/>      | <input type="radio"/>                  |

#### Sida 7

12) Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business [Score: 0]

(Please select: very useful, useful, no opinion, some what useful or not useful where applicable)

|  | Very Useful<br>[Score: 0] | Useful<br>[Score: 0]  | No Opinion<br>[Score: 0] | Somewhat Useful<br>[Score: 0] | Not Useful<br>[Score: 0] |
|--|---------------------------|-----------------------|--------------------------|-------------------------------|--------------------------|
| Helped me to decide not to start a business [Score: 0] | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Assisted in starting a business [Score: 0]             | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Identification of business issues [Score: 0]           | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Develop business idea [Score: 0]                       | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Gain business skills [Score: 0]                        | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Access finance [Score: 0]                              | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Gain self confidence [Score: 0]                        | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |
| Create business networks [Score: 0]                    | <input type="radio"/>     | <input type="radio"/> | <input type="radio"/>    | <input type="radio"/>         | <input type="radio"/>    |



13) Please indicate the overall value of the support you received from Business Link Start-up Service [Score: 0]

|  | Extremely<br>Valuable [Score: 0] | Valuable<br>[Score: 0] | No Opinion<br>[Score: 0] | Somewhat<br>Valuable [Score: 0] | Not Valuable<br>[Score: 0] |
|--|----------------------------------|------------------------|--------------------------|---------------------------------|----------------------------|
| Usefulness of<br>information [Score: 0]      | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>    | <input type="radio"/>           | <input type="radio"/>      |
| Relevancy of the<br>information [Score: 0]   | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>    | <input type="radio"/>           | <input type="radio"/>      |
| Timeliness of the<br>information. [Score: 0] | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>    | <input type="radio"/>           | <input type="radio"/>      |
| Rate your overall<br>experience [Score: 0]   | <input type="radio"/>            | <input type="radio"/>  | <input type="radio"/>    | <input type="radio"/>           | <input type="radio"/>      |

14) Please indicate if there is any other support you still need from Business Link Start-up and why? [Score: 0]

1

2

3

4

15) Did you utilise any other business support resources or programmes? [Score: 0]

|                                 | Yes [Score: 0]        | No [Score: 0]         |
|---------------------------------|-----------------------|-----------------------|
| Train to Gain [Score: 0]        | <input type="radio"/> | <input type="radio"/> |
| Pathways to Business [Score: 0] | <input type="radio"/> | <input type="radio"/> |
| Small Business Loans [Score: 0] | <input type="radio"/> | <input type="radio"/> |
| Export Training [Score: 0]      | <input type="radio"/> | <input type="radio"/> |
| High Growth Support [Score: 0]  | <input type="radio"/> | <input type="radio"/> |

16) Do you have any additional comments about the Business Link Start-Up Service? [Score: 0]

Sida 8

17) At what stage of starting a business are you now (today) ? [Score: 0]

☐ Pre-Start [Score: 0]

☐ Start-Up [Score: 0]

☐ Established Business [Score: 0]

☐ Other [Score: 0]

18) Have you started a new business since getting start-up support? [Score: 0]

☐ Yes [Score: 0] ☐ No [Score: 0]

Sida 9

19) If yes when did you start? [Score: 0]

DD.MM.YYYY

20) What is the postcode of your business? [Score: 0]

Sida 10

21) If no, when do you plan to start? [Score: 0]

☐ Within 30 Days [Score: 0]

☐ Within 31-90 Days [Score: 0]

☐ Within 91-120 Days [Score: 0]

☐ No idea at this time [Score: 0]

☐ Other [Score: 0]

**Dynamic Paging Rules**

- Göm fråga when konkret alternativ valt av respondenten (Have you started a new business since getting start-up support?: Yes)

Sida 11

**Demographic and Background Data [Score: 0]**

22) What made think of starting a business? [Score: 0]

23) How many years work experience do you have? [Score: 0]

- ☐ None [Score: 0]  
☐ Upto 2years [Score: 0]  
☐ 3-5years [Score: 0]  
☐ 5-10years [Score: 0]  
☐ Over 10years [Score: 0]

24) What is the highest level of education you have attained? [Score: 0]

Please select

25) Gender [Score: 0]

- ☐ Male [Score: 0] ☐ Female [Score: 0]

26) Age [Score: 0]

- ☐ Upto 17 years [Score: 0]  
☐ 18-30 years [Score: 0]  
☐ 31-45 years [Score: 0]  
☐ 45-60 years [Score: 0]  
☐ Over 60years [Score: 0]

27) How would you describe yourself? [Score: 0]

- ☐ White [Score: 0]  
☐ Mixed [Score: 0]  
☐ Asian or Asian British [Score: 0]  
☐ Black or Black British [Score: 0]  
☐ Chinese [Score: 0]  
☐ Other ethnic group (OE) [Score: 0]   
☐ Wish not to disclose [Score: 0]



28) If you are in business, what does your business do? (Please circle only one) [Score: 0]

- ☐ Construction [Score: 0]
- ☐ Manufacturing [Score: 0]
- ☐ Consulting [Score: 0]
- ☐ Wholesale [Score: 0]
- ☐ Finance, Insurance and Real Estate [Score: 0]
- ☐ Entertainment [Score: 0]
- ☐ Retail [Score: 0]
- ☐ Engineering [Score: 0]
- ☐ Publishing [Score: 0]
- ☐ Education [Score: 0]
- ☐ Health Care [Score: 0]
- ☐ Day Care [Score: 0]
- ☐ Transportation [Score: 0]
- ☐ Computer Systems and Design [Score: 0]
- ☐ Food and Restaurant [Score: 0]
- ☐ Other (please describe) [Score: 0]

**Dynamic Paging Rules**

- Göm fråga when konkret alternativ valt av respondenten (Have you started a new business since getting start-up support?: No)

Sida 12

29) Background information [Score: 0]

First Name

Email

Phone Number

Address

Sida 13



## A.15. SBA Survey Questionnaire (2009)



Office of Entrepreneurial Development

### Appendix 3 – Survey Instrument

U.S. Small Business Administration  
Office of Entrepreneurial Development  
Initial Economic Impact Survey

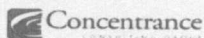
OMB Number 3245-0351  
Expiration 03/31/2009

Dear Small Business Client:

Thank you for your recent visit to SBA's Entrepreneurial Development (ED) Resource Partners the [Small Business Development Center (SBDC), Women's Business Center (WBC), or SCORE]. We hope you found the business assistance you sought. The SBA is always striving to better its programs and deliver relevant and meaningful assistance. We want to know if our programs and services are helping the economy by providing useful information on starting and managing a business and eventually helping your business create jobs, increasing your business' revenues and, in general, fueling the entrepreneurial spirit in America.

We would appreciate you taking a few minutes to answer some brief questions that will help us know the quality and impact of the programs. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the [SBDC, WBC, SCORE], please use that experience as a benchmark to answer the following:

1. Are you currently in business? Yes ☐ No ☐  
If YES when was the business started? \_\_\_\_/\_\_\_\_/\_\_\_\_  
mm/yyyy  
What is the zip code of your business location \_\_\_\_\_
  2. If NO, when do you plan on starting a business?  
Within 30 days ☐ 31-90 days ☐  
91-120 days ☐ No idea at this time ☐  
If you answered NO to question 1, Skip to Question 10
  3. Have you ever been in business? Yes ☐ No ☐  
If YES when was the business started? \_\_\_\_/\_\_\_\_/\_\_\_\_  
mm/yyyy
  4. As a result of the assistance you received, have you changed any of your current management practices/strategies? Yes ☐ No ☐
  5. As a result of the assistance you received, which management practices/strategies have you changed?  
[Check all that apply]
- |   |   |
|---|---|
| Financial Management <input type="checkbox"/>           | Promotional Strategy <input type="checkbox"/> |
| Human Resource (Hiring/Firing) <input type="checkbox"/> | Obtaining Capital <input type="checkbox"/>    |
| Marketing Strategy <input type="checkbox"/>             | General Management <input type="checkbox"/>   |
| International Trade <input type="checkbox"/>            | Other _____                                   |



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6. As a result of the assistance I received from the [SBDC/WBC/SCORE] Counselor, I was able to develop [i.e., Business Plan] in order to start or better manage my business. **[Check all that apply]**

|                    |                          |                         |                          |                     |                          |
|--------------------|--------------------------|-------------------------|--------------------------|---------------------|--------------------------|
| Business Plan      | <input type="checkbox"/> | Loan Package            | <input type="checkbox"/> | Purchasing Strategy | <input type="checkbox"/> |
| Marketing Plan     | <input type="checkbox"/> | Hiring Plan             | <input type="checkbox"/> | Feasibility Plan    | <input type="checkbox"/> |
| Promotional Plan   | <input type="checkbox"/> | Training Plan for Staff | <input type="checkbox"/> | Production Plan     | <input type="checkbox"/> |
| Pricing Strategy   | <input type="checkbox"/> | Financial Strategy      | <input type="checkbox"/> | Distribution Plan   | <input type="checkbox"/> |
| Cash Flow Analysis | <input type="checkbox"/> | E-Commerce Strategy     | <input type="checkbox"/> | Other               | _____                    |

7. Please indicate the impact these changes have had on your firm:  
[Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

|                                  | SA | A | NO | D | SD |
|----------------------------------|----|---|----|---|----|
| <b>I was able to:</b>            |    |   |    |   |    |
| 1. Increase my sales             | 5  | 4 | 3  | 2 | 1  |
| 2. Improve my cash flow          | 5  | 4 | 3  | 2 | 1  |
| 3. Acquire an SBA loan           | 5  | 4 | 3  | 2 | 1  |
| 4. Expand my products/services   | 5  | 4 | 3  | 2 | 1  |
| 5. Hire new staff                | 5  | 4 | 3  | 2 | 1  |
| 6. Revise my marketing strategy  | 5  | 4 | 3  | 2 | 1  |
| 7. Increase my profit margin     | 5  | 4 | 3  | 2 | 1  |
| 8. Retain current staff          | 5  | 4 | 3  | 2 | 1  |
| 9. Acquire a government contract | 5  | 4 | 3  | 2 | 1  |
| 10. Other (specify _____)        | 5  | 4 | 3  | 2 | 1  |

8. At the time you were assisted by the [SBDC/WBC/SCORE], what was the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: **[Note: all data will be aggregated and kept in strict confidence]**

9. At the time you were assisted by the [SBDC/WBC/SCORE], how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees \_\_\_\_\_  
Number of Part-Time Employees \_\_\_\_\_

10. Please indicate the value of the information you received from the [SBDC/WBC/SCORE] Counselor you visited:

|                                  | Extremely Valuable | Valuable | No Opinion | Somewhat Valuable | Not Valuable |
|----------------------------------|--------------------|----------|------------|-------------------|--------------|
| 1. Usefulness of information     | 5                  | 4        | 3          | 2                 | 1            |
| 2. Relevancy of the information  | 5                  | 4        | 3          | 2                 | 1            |
| 3. Timeliness of the information | 5                  | 4        | 3          | 2                 | 1            |
| 4. Rate your overall experience  | 5                  | 4        | 3          | 2                 | 1            |



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11. Please indicate how effective the counselor was in assisting you:

|   | Effective | Somewhat Effective | No Opinion | Somewhat Ineffective | Ineffective |
|---|-----------|--------------------|------------|----------------------|-------------|
| 1. Assistance met my needs                    | 5         | 4                  | 3          | 2                    | 1           |
| 2. Counselor's ability to assist me           | 5         | 4                  | 3          | 2                    | 1           |
| 3. Counselor was friendly                     | 5         | 4                  | 3          | 2                    | 1           |
| 4. Counselor was current on management issues | 5         | 4                  | 3          | 2                    | 1           |
| 5. Counselor was knowledgeable                | 5         | 4                  | 3          | 2                    | 1           |

12. Please indicate how useful the services were that you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business.

|  | Very Useful | Useful | No Opinion | Somewhat Useful | Not Useful |
|--|-------------|--------|------------|-----------------|------------|
| 1. Identification of problem(s)                | 5           | 4      | 3          | 2               | 1          |
| 2. Correction of problem(s)                    | 5           | 4      | 3          | 2               | 1          |
| 3. Assisted in starting a business             | 5           | 4      | 3          | 2               | 1          |
| 4. Helped me to decide not to start a business | 5           | 4      | 3          | 2               | 1          |

13. Gender: Male ☐ Female ☐14. Veterans status: Veteran ☐ Service Disabled Veteran ☐  
Non Veteran ☐

15. Age: [Circle one] 18-24 25-34 35-44 45-54 55-64 65-74 75+

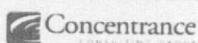
16. Are you: Hispanic or Latino ☐ Not of Hispanic/Latino Origin ☐

17. Are you: [Please choose one or more]

- American Indian or Alaskan Native ☐  
Asian ☐  
Black or African American ☐  
Native Hawaiian or Pacific Islander ☐  
White ☐

18. If you are in business, what is the primary type of business? [Please choose only one]

- Construction ☐ Manufacturing ☐ Consulting ☐  
Wholesale ☐ Finance, Insurance and Real Estate ☐ Entertainment ☐



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- |                |                          |                           |                          |                  |                          |
|----------------|--------------------------|---------------------------|--------------------------|------------------|--------------------------|
| Retail         | <input type="checkbox"/> | Restaurant                | <input type="checkbox"/> | Engineering      | <input type="checkbox"/> |
| Publishing     | <input type="checkbox"/> | Education                 | <input type="checkbox"/> | Service          | <input type="checkbox"/> |
| Health Care    | <input type="checkbox"/> | Day Care                  | <input type="checkbox"/> | Other (describe) | _____                    |
| Transportation | <input type="checkbox"/> | Computer Systems & Design | <input type="checkbox"/> |                  |                          |

19. Did you utilize any other SBA resources/program?

Yes ☐ No ☐

20. If YES, select those you used [Check all that apply]

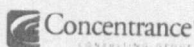
- |                       |                          |                               |                          |
|-----------------------|--------------------------|-------------------------------|--------------------------|
| SCORE                 | <input type="checkbox"/> | SBA's guarantee loan programs | <input type="checkbox"/> |
| SBDC                  | <input type="checkbox"/> | SBIC Financing Program        | <input type="checkbox"/> |
| Women Business Center | <input type="checkbox"/> | SBA's Surety Bond Program     | <input type="checkbox"/> |

PLEASE NOTE: The estimated burden for completing this form is 10 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3<sup>rd</sup> St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-0351). PLEASE DO NOT SEND FORMS TO OMB.

NOTE Mail completed surveys back in business reply envelope.

SBA Form 2214

THANK YOU



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## A.16. Activities Cluster of Variables

|   | 34. Activity<br>T2 iii. Save<br>money to<br>invest | 35. Activity<br>T2 iv.<br>Invest own<br>money | 36. Activity<br>T2 v. Ask or<br>Apply for<br>funding | 37. Activity<br>T2 vi. Get<br>financial<br>support | 38. Activity T2 vii.<br>Organise team<br>(Partnerships and<br>Networks) | 39. Activity<br>T2 viii.<br>Hire<br>employees | 40. Activity T2 ix.<br>Buy or rent<br>facilities /<br>equipment | 41. Activity T2<br>x. Look for<br>facilities /<br>premises | 42. Activity T2 xi.<br>Develop models,<br>prototype, catalogue,<br>website etc | 43. Activity T2<br>xii. Work full time<br>at new business | 44. Activity T2<br>xiii. Register<br>business and<br>licences |
|---|--|---|--|--|---|---|---|--|--|---|---|
| 34. Activity T2 iii. Save money to invest                             | 1.00   | 0.83  | 0.55   | 0.54   | 0.59  | 0.55  | 0.66  | 0.73   | 0.72   | 0.44  | 0.49  |
| 35. Activity T2 iv. Invest own money                                  | 0.83   | 1.00  | 0.57   | 0.52   | 0.55  | 0.50  | 0.65  | 0.66   | 0.67   | 0.47  | 0.63  |
| 36. Activity T2 v. Ask or Apply for funding                           | 0.55   | 0.57  | 1.00   | 0.89   | 0.46  | 0.49  | 0.59  | 0.49   | 0.52   | 0.52  | 0.52  |
| 37. Activity T2 vi. Get financial support                             | 0.54   | 0.52  | 0.89   | 1.00   | 0.44  | 0.50  | 0.60  | 0.53   | 0.46   | 0.50  | 0.46  |
| 38. Activity T2 vii. Organise team (Partnerships and Networks)        | 0.59   | 0.55  | 0.46   | 0.44   | 1.00  | 0.66  | 0.64  | 0.62   | 0.51   | 0.53  | 0.60  |
| 39. Activity T2 viii. Hire employees                                  | 0.55   | 0.50  | 0.49   | 0.50   | 0.66  | 1.00  | 0.78  | 0.72   | 0.54   | 0.45  | 0.55  |
| 40. Activity T2 ix. Buy or rent facilities / equipment                | 0.66   | 0.65  | 0.59   | 0.60   | 0.64  | 0.78  | 1.00  | 0.88   | 0.64   | 0.61  | 0.56  |
| 41. Activity T2 x. Look for facilities / premises                     | 0.73   | 0.66  | 0.49   | 0.53   | 0.62  | 0.72  | 0.88  | 1.00   | 0.73   | 0.50  | 0.51  |
| 42. Activity T2 xi. Develop models, prototype, catalogue, website etc | 0.72   | 0.67  | 0.52   | 0.46   | 0.51  | 0.54  | 0.64  | 0.73   | 1.00   | 0.55  | 0.53  |
| 43. Activity T2 xii. Work full time at new business                   | 0.44   | 0.47  | 0.52   | 0.50   | 0.53  | 0.45  | 0.61  | 0.50   | 0.55   | 1.00  | 0.56  |
| 44. Activity T2 xiii. Register business and licences                  | 0.49   | 0.63  | 0.52   | 0.46   | 0.60  | 0.55  | 0.56  | 0.51   | 0.53   | 0.56  | 1.00  |

### A.17. Ability to Carry out Activities and Service Rating

|   | 46. BLSS<br>Helped me to<br>starting a<br>business | 47. BLSS<br>Helped me to<br>Identification of<br>business<br>issues | 48. BLSS<br>Helped me to<br>Develop<br>business idea | 49. BLSS<br>Helped me to<br>Gain business<br>skills | 50. BLSS<br>Helped me to<br>Access finance | 51. BLSS<br>Helped me to<br>Gain self<br>confidence | 52. BLSS<br>Helped me to<br>Create<br>business<br>networks | 53. Overall<br>Rating<br>Usefulness of<br>information | 54. Overall<br>Rating<br>Relevancy of<br>the information | 55. Overall<br>Rating<br>Timeliness of<br>the information. | 56. Overall<br>Rating Rate<br>your overall<br>experience |
|---|--|---|--|---|--|---|--|---|--|--|--|
| 46. Services helped me starting a business        | 1.00   | 0.74  | 0.70   | 0.60  | 0.52                                       | 0.55  | 0.37   | 0.57  | 0.57   | 0.53   | 0.66   |
| 47. Services Identification of business issues    | 0.74   | 1.00  | 0.84   | 0.70  | 0.58                                       | 0.63  | 0.47   | 0.61  | 0.63   | 0.59   | 0.69   |
| 48. Services Develop business idea                | 0.70   | 0.84  | 1.00   | 0.61  | 0.63                                       | 0.64  | 0.51   | 0.59  | 0.60   | 0.56   | 0.64   |
| 49. Services Gain business skills                 | 0.60   | 0.70  | 0.61   | 1.00  | 0.52                                       | 0.63  | 0.52   | 0.70  | 0.71   | 0.66   | 0.78   |
| 50. Services Access finance                       | 0.52   | 0.58  | 0.63   | 0.52  | 1.00                                       | 0.62  | 0.53   | 0.50  | 0.55   | 0.47   | 0.48   |
| 51. Services Gain self confidence                 | 0.55   | 0.63  | 0.64   | 0.63  | 0.62                                       | 1.00  | 0.69   | 0.65  | 0.68   | 0.68   | 0.65   |
| 52. Services Create business networks             | 0.37   | 0.47  | 0.51   | 0.52  | 0.53                                       | 0.69  | 1.00   | 0.59  | 0.61   | 0.66   | 0.52   |
| 53. Overall Rating Usefulness of information      | 0.57   | 0.61  | 0.59   | 0.70  | 0.50                                       | 0.65  | 0.59   | 1.00  | 0.93   | 0.85   | 0.83   |
| 54. Overall Rating Relevancy of the information   | 0.57   | 0.63  | 0.60   | 0.71  | 0.55                                       | 0.68  | 0.61   | 0.93  | 1.00   | 0.83   | 0.83   |
| 55. Overall Rating Timeliness of the information. | 0.53   | 0.59  | 0.56   | 0.66  | 0.47                                       | 0.68  | 0.66   | 0.85  | 0.83   | 1.00   | 0.86   |
| 56. Overall Rating Rate your overall experience   | 0.66   | 0.69  | 0.64   | 0.78  | 0.48                                       | 0.65  | 0.52   | 0.83  | 0.83   | 0.86   | 1.00   |



A.18. All Correlations (p1.)

|   | 2 | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26 | 27       | 28       | 29       | 30       |
|---|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----|----------|----------|----------|----------|
| 2. Have you ever started and run a business before you got start-up support?                                | 1 | 0.2<br>2 | 0.0<br>3 | 0.0<br>4 | 0.0<br>5 | 0.0<br>5 | 0.1<br>3 | 0.0<br>9 | 0.0<br>5 | 0.1<br>2 | 0.0<br>7 | 0.1<br>1 | 0.0<br>4 | 0.0<br>2 | 0.0<br>2 | 0.1<br>1 | 0.0<br>9 | 0.0<br>2 | 0.0<br>9 | 0.0<br>2 | 0.1<br>8 | 0.0<br>8 | 0.0<br>5 | 0  | 0.0<br>2 | 0.0<br>4 | 0.1<br>3 | 0.1<br>2 |
| 4. At what stage of starting a business were you when you contacted the BLSS?                               | 2 | 0.2<br>2 | 0.2<br>1 | 0.0<br>5 | 0.0<br>1 | 0.0<br>0 | 0.1<br>2 | 0.0<br>5 | 0.0<br>4 | 0.1<br>4 | 0.1<br>9 | 0.0<br>1 | 0.0<br>2 | 0.2<br>1 | 0.2<br>4 | 0.0<br>8 | 0.1<br>4 | 0.1<br>2 | 0.1<br>1 | 0.0<br>4 | 0.0<br>5 | 0.0<br>4 | 0.1<br>3 | 0  | 0.1<br>4 | 0.0<br>5 | 0.2<br>7 | 0.0<br>2 |
| 5. Please indicate the progress you had made before contacting BLSS: i. Form legal entity (Limited company) | 3 | 0.0<br>5 | 0.2<br>5 | 0.4<br>1 | 0.4<br>1 | 0.2<br>9 | 0.4<br>5 | 0.1<br>9 | 0.2<br>1 | 0.3<br>2 | 0.3<br>2 | 0.1<br>6 | 0.3<br>4 | 0.5<br>6 | 0.5<br>6 | 0.1<br>4 | 0.0<br>5 | 0.1<br>3 | 0.0<br>7 | 0.0<br>5 | 0.1<br>2 | 0.0<br>5 | 0.0<br>2 | 0  | 0.0<br>7 | 0.0<br>1 | 0.0<br>6 | 0.1<br>4 |
| 6. Please indicate the progress you had made before contacting BLSS: ii. Prepare a business plan            | 4 | 0.0<br>4 | 0.0<br>1 | 0.4<br>1 | 0.4<br>1 | 0.5<br>3 | 0.5<br>2 | 0.2<br>1 | 0.1<br>8 | 0.3<br>8 | 0.2<br>5 | 0.1<br>5 | 0.3<br>9 | 0.4<br>5 | 0.3<br>6 | 0.0<br>4 | 0.1<br>1 | 0.0<br>1 | 0.0<br>1 | 0.4<br>5 | 0.0<br>9 | 0.2<br>2 | 0.0<br>4 | 0  | 0.0<br>9 | 0.0<br>6 | 0.0<br>4 | 0.0<br>2 |
| 7. Please indicate the progress you had made before contacting BLSS: iii. Save money to invest              | 5 | 0.0<br>5 | 0.0<br>0 | 0.2<br>9 | 0.5<br>3 | 0.1<br>1 | 0.7<br>0 | 0.0<br>8 | 0.0<br>1 | 0.2<br>3 | 0.0<br>5 | 0.2<br>3 | 0.2<br>6 | 0.3<br>7 | 0.3<br>5 | 0.0<br>2 | 0.1<br>3 | 0.1<br>2 | 0.0<br>3 | 0.2<br>1 | 0.0<br>6 | 0.0<br>7 | 0.0<br>5 | 0  | 0.0<br>7 | 0.0<br>2 | 0.0<br>5 | 0.0<br>1 |
| 8. Please indicate the progress you had made before contacting BLSS: iv. Invest own money                   | 6 | 0.1<br>3 | 0.1<br>2 | 0.4<br>5 | 0.5<br>2 | 0.7<br>1 | 0.2<br>4 | 0.2<br>7 | 0.1<br>2 | 0.2<br>3 | 0.4<br>1 | 0.2<br>4 | 0.3<br>8 | 0.4<br>9 | 0.4<br>6 | 0.0<br>7 | 0.1<br>9 | 0.0<br>6 | 0.0<br>9 | 0.1<br>7 | 0.0<br>2 | 0.1<br>2 | 0.0<br>7 | 0  | 0.0<br>4 | 0.0<br>4 | 0.1<br>6 | 0.0<br>7 |
| 9. Please indicate the progress you had made before contacting BLSS: v. Ask or apply for funding            | 7 | 0.0<br>9 | 0.0<br>5 | 0.1<br>9 | 0.2<br>1 | 0.0<br>8 | 0.2<br>4 | 0.8<br>2 | 0.3<br>3 | 0.1<br>9 | 0.2<br>2 | 0.1<br>8 | 0.2<br>7 | 0.1<br>3 | 0.1<br>1 | 0.0<br>4 | 0.1<br>9 | 0.0<br>7 | 0.0<br>4 | 0.0<br>2 | 0.2<br>2 | 0.2<br>2 | 0.1<br>5 | 0  | 0.1<br>4 | 0.0<br>8 | 0.0<br>8 | 0.0<br>7 |
| 10. Please indicate the progress you had made before contacting BLSS: vi. Get / Receive                     | 8 | 0.0<br>5 | 0.0<br>4 | 0.2<br>1 | 0.1<br>8 | 0.0<br>1 | 0.1<br>7 | 0.8<br>2 | 0.2<br>9 | 0.2<br>4 | 0.2<br>4 | 0.1<br>9 | 0.2<br>0 | 0.1<br>2 | 0.1<br>4 | 0.0<br>5 | 0.1<br>8 | 0.1<br>1 | 0.0<br>9 | 0.0<br>5 | 0.0<br>2 | 0.2<br>1 | 0.1<br>1 | 0  | 0.1<br>9 | 0.0<br>9 | 0.0<br>8 | 0.0<br>6 |

|  | 2        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26       | 27       | 28       | 29       | 30       |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| financial support  |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| 11. Please indicate the progress you had made before contacting BLSS: vii. Organise team (Partnerships and Networks)       | 0.1<br>2 | 0.0<br>4 | 0.2<br>8 | 0.3<br>3 | 0.2<br>3 | 0.2<br>3 | 0.2<br>3 | 0.2<br>9 | 0.3<br>1 | 0.3<br>2 | 0.2<br>9 | 0.2<br>2 | 0.1<br>3 | 0.4<br>3 | 0.2<br>9 | 0.0<br>2 | 0.1<br>2 | 0.0<br>4 | 0.0<br>2 | 0.0<br>2 | 0.4<br>6 | 0.3<br>2 | 0.1<br>4 | 0.0<br>0 | 0.2<br>8 | 0.1<br>9 | 0.1<br>2 | 0.0<br>6 |
| 12. Please indicate the progress you had made before contacting BLSS: viii. Hire employees                                 | 0.0<br>7 | 0.1<br>9 | 0.2<br>5 | 0.2<br>5 | 0.0<br>5 | 0.2<br>3 | 0.1<br>9 | 0.2<br>4 | 0.3<br>2 | 0.3<br>1 | 0.3<br>2 | 0.2<br>3 | 0.2<br>3 | 0.4<br>3 | 0.3<br>6 | 0.1<br>2 | 0.1<br>8 | 0.0<br>4 | 0.1<br>6 | 0.1<br>1 | 0.0<br>5 | 0.0<br>4 | 0.3<br>4 | 0.0<br>0 | 0.0<br>2 | 0.0<br>8 | 0.1<br>4 | 0.0<br>9 |
| 13. Please indicate the progress you had made before contacting BLSS: ix. Buy or rent facilities / equipment               | 0.1<br>1 | 0.0<br>1 | 0.3<br>2 | 0.3<br>2 | 0.2<br>9 | 0.2<br>9 | 0.4<br>1 | 0.2<br>4 | 0.2<br>9 | 0.3<br>2 | 0.2<br>1 | 0.2<br>8 | 0.2<br>8 | 0.4<br>3 | 0.4<br>4 | 0.1<br>4 | 0.1<br>1 | 0.0<br>5 | 0.2<br>1 | 0.2<br>2 | 0.1<br>8 | 0.0<br>1 | 0.1<br>3 | 0.2<br>1 | 0.2<br>1 | 0.1<br>9 | 0.1<br>9 | 0.0<br>0 |
| 14. Please indicate the progress you had made before contacting BLSS: x. Look for facilities                               | 0.0<br>4 | 0.0<br>2 | 0.1<br>6 | 0.1<br>5 | 0.2<br>3 | 0.2<br>4 | 0.1<br>8 | 0.1<br>9 | 0.2<br>2 | 0.3<br>2 | 0.2<br>8 | 0.2<br>1 | 0.2<br>9 | 0.1<br>7 | 0.2<br>8 | 0.1<br>3 | 0.0<br>3 | 0.1<br>1 | 0.2<br>2 | 0.0<br>9 | 0.0<br>5 | 0.3<br>1 | 0.3<br>4 | 0.0<br>0 | 0.0<br>5 | 0.1<br>6 | 0.0<br>4 | 0.0<br>9 |
| 15. Please indicate the progress you had made before contacting BLSS: xi. Develop models, prototypes, samples or catalogue | 0.0<br>2 | 0.0<br>9 | 0.3<br>4 | 0.3<br>9 | 0.2<br>6 | 0.2<br>8 | 0.3<br>7 | 0.2<br>2 | 0.1<br>3 | 0.2<br>3 | 0.2<br>8 | 0.2<br>9 | 0.3<br>1 | 0.3<br>1 | 0.3<br>3 | 0.1<br>3 | 0.0<br>2 | 0.0<br>1 | 0.1<br>9 | 0.2<br>3 | 0.1<br>2 | 0.0<br>4 | 0.1<br>9 | 0.0<br>0 | 0.0<br>9 | 0.0<br>4 | 0.0<br>9 | 0.0<br>5 |
| 16. Please indicate the progress you had made before contacting BLSS: xii. Work full time at new business                  | 0.0<br>2 | 0.2<br>1 | 0.5<br>6 | 0.4<br>5 | 0.3<br>7 | 0.4<br>9 | 0.1<br>3 | 0.1<br>2 | 0.4<br>3 | 0.4<br>3 | 0.4<br>3 | 0.1<br>7 | 0.3<br>1 | 0.6<br>2 | 0.6<br>2 | 0.1<br>9 | 0.0<br>2 | 0.0<br>7 | 0.1<br>3 | 0.3<br>9 | 0.1<br>3 | 0.2<br>9 | 0.2<br>9 | 0.0<br>5 | 0.2<br>3 | 0.0<br>4 | 0.0<br>4 | 0.1<br>4 |
| 17. Please indicate the progress you had made before contacting BLSS: xiii. Register business and licences                 | 0.1<br>1 | 0.2<br>4 | 0.5<br>6 | 0.3<br>6 | 0.3<br>5 | 0.4<br>6 | 0.1<br>1 | 0.1<br>4 | 0.2<br>9 | 0.3<br>6 | 0.4<br>4 | 0.2<br>8 | 0.3<br>3 | 0.6<br>2 | 0.1<br>1 | 0.2<br>4 | 0.0<br>6 | 0.1<br>4 | 0.1<br>0 | 0.1<br>9 | 0.0<br>0 | 0.1<br>6 | 0.0<br>3 | 0.0<br>2 | 0.0<br>2 | 0.1<br>1 | 0.0<br>3 | 0.0<br>4 |



|  | 2        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26 | 27       | 28       | 29       | 30       |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----|----------|----------|----------|----------|
| 18. What type of assistance were you looking for when you contacted Business Link?                 | 0.0<br>9 | 0.0<br>8 | 0.1<br>4 | 0.0<br>4 | 0.0<br>2 | 0.0<br>7 | 0.0<br>4 | 0.0<br>5 | 0.0<br>2 | 0.1<br>2 | 0.1<br>4 | 0.1<br>1 | 0.1<br>3 | 0.1<br>9 | 0.2<br>4 | 1        | 0.0<br>5 | 0.0<br>1 | 0.0<br>6 | 0.1<br>4 | 0.0<br>5 | 0.0<br>6 | 0.2<br>6 | 0  | 0.0<br>9 | 0.2<br>3 | 0.0<br>8 | 0.0<br>4 |
| 19. What support did you access from the Business Link start-Up Service?                           | 0.0<br>2 | 0.1<br>4 | 0.0<br>5 | 0.1<br>1 | 0.1<br>3 | 0.1<br>1 | 0.1<br>9 | 0.1<br>8 | 0.1<br>2 | 0.1<br>8 | 0.1<br>1 | 0.0<br>3 | 0.0<br>2 | 0.0<br>2 | 0.0<br>6 | 0.0<br>5 | 0.0<br>1 | 0.1<br>3 | 0.2<br>9 | 0.0<br>5 | 0.2<br>3 | 0.0<br>5 | 0.1<br>6 | 0  | 0.0<br>9 | 0.2<br>2 | 0.1<br>4 | 0.0<br>1 |
| 20. Did you attend training, see an advisor, use the website, use the telephone or have a mentor?  | 0.0<br>5 | 0.1<br>2 | 0.1<br>3 | 0.0<br>1 | 0.0<br>2 | 0.1<br>9 | 0.0<br>0 | 0.1<br>1 | 0.0<br>4 | 0.0<br>4 | 0.0<br>5 | 0.1<br>1 | 0.0<br>1 | 0.0<br>7 | 0.1<br>4 | 0.1<br>1 | 0.1<br>3 | 0.2<br>4 | 0.2<br>1 | 0.5<br>7 | 0.1<br>7 | 0.1<br>2 | 0.1<br>8 | 0  | 0.2<br>0 | 0.0<br>3 | 0.0<br>8 |          |
| 21. Approximately how many hours of support have you received to date?:<br>www.businesslinkgo v.uk | 0.0<br>9 | 0.1<br>3 | 0.0<br>3 | 0.0<br>1 | 0.0<br>3 | 0.0<br>6 | 0.0<br>7 | 0.0<br>9 | 0.0<br>2 | 0.1<br>6 | 0.2<br>1 | 0.2<br>2 | 0.1<br>9 | 0.1<br>3 | 0        | 0.0<br>6 | 0.2<br>9 | 0.2<br>4 | 0.3<br>7 | 0.1<br>5 | 0.2<br>9 | 0.1<br>9 | 0.2<br>9 | 0  | 0.1<br>5 | 0.0<br>3 | 0.3<br>6 | 0.0<br>8 |
| 22. Approximately how many hours of support have you received to date?:<br>Use the telephone       | 0.0<br>2 | 0.0<br>4 | 0.0<br>7 | 0.4<br>5 | 0.2<br>1 | 0.1<br>9 | 0.0<br>4 | 0.0<br>5 | 0.4<br>1 | 0.1<br>1 | 0.1<br>2 | 0.0<br>9 | 0.2<br>3 | 0.3<br>9 | 0.1<br>9 | 0.1<br>4 | 0.0<br>5 | 0.5<br>7 | 0.3<br>7 | 1        | 0.1<br>5 | 0.4<br>1 | 0.3<br>6 | 0  | 0        | 0.0<br>3 | 0.0<br>5 | 0.1<br>3 |
| 23. Approximately how many hours of support have you received to date?:<br>Attend training         | 0.1<br>8 | 0.0<br>5 | 0.1<br>5 | 0.0<br>9 | 0.0<br>6 | 0.0<br>7 | 0.0<br>2 | 0.0<br>2 | 0.0<br>6 | 0.0<br>5 | 0.1<br>8 | 0.0<br>5 | 0.1<br>2 | 0.1<br>3 | 0        | 0.0<br>5 | 0.2<br>3 | 0.1<br>7 | 0.2<br>9 | 0.1<br>5 | 1        | 0.0<br>9 | 0.4<br>0 | 0  | 0.2<br>1 | 0.0<br>2 | 0.3<br>8 | 0.0<br>9 |
| 24. Approximately how many hours of support have you received to date?:<br>See an Adviser          | 0.0<br>8 | 0.0<br>4 | 0.1<br>2 | 0.2<br>2 | 0.0<br>7 | 0.1<br>2 | 0.2<br>2 | 0.2<br>1 | 0.3<br>2 | 0.0<br>4 | 0.0<br>1 | 0.3<br>1 | 0.0<br>4 | 0.2<br>2 | 0.1<br>6 | 0.0<br>6 | 0.0<br>5 | 0.1<br>2 | 0.1<br>9 | 0.4<br>0 | 0.0<br>9 | 1        | 0.6<br>7 | 0  | 0.0<br>1 | 0.1<br>0 | 0.2<br>1 | 0.1<br>1 |
| 25. Approximately how many hours of support have you received to date?:<br>Had a Mentor            | 0.0<br>5 | 0.1<br>3 | 0.0<br>5 | 0.0<br>4 | 0.0<br>5 | 0.0<br>7 | 0.1<br>5 | 0.1<br>1 | 0.1<br>4 | 0.3<br>4 | 0.1<br>3 | 0.3<br>4 | 0.1<br>9 | 0.2<br>9 | 0.0<br>3 | 0.2<br>6 | 0.1<br>6 | 0.1<br>8 | 0.2<br>9 | 0.3<br>6 | 0.4<br>7 | 0.6<br>7 | 1        | 0  | 0.0<br>2 | 0.0<br>2 | 0.1<br>3 | 0.1<br>3 |
| 26. Approximately how many hours of support have you received to date?:<br>Other                   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0  | 0        | 0        | 0        | 0        |

|   | 2        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26 | 27       | 28       | 29       | 30       |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----|----------|----------|----------|----------|
| 27. Please indicate how effective each service (used) was in assisting you: Use the web (www.businesslink.gov.uk) | 0.0<br>2 | 0.1<br>4 | 0.0<br>7 | 0.0<br>9 | 0.0<br>7 | 0.0<br>4 | 0.1<br>4 | 0.1<br>9 | 0.2<br>8 | 0.0<br>2 | 0.2<br>1 | 0.0<br>5 | 0.0<br>9 | 0.0<br>5 | 0.0<br>2 | 0.0<br>9 | 0.0<br>9 | 0.2<br>0 | 0.1<br>5 | 0        | 0.2<br>1 | 0.0<br>1 | 0.0<br>2 | 0  | 0.4<br>7 | 0.1<br>7 | 0.3<br>9 |          |
| 28. Please indicate how effective each service (used) was in assisting you: Use the telephone (0845)              | 0.0<br>4 | 0.0<br>5 | 0.0<br>1 | 0.0<br>6 | 0.0<br>2 | 0.0<br>4 | 0.0<br>8 | 0.0<br>9 | 0.1<br>9 | 0.0<br>8 | 0.1<br>0 | 0.1<br>6 | 0.0<br>4 | 0.2<br>3 | 0.1<br>1 | 0.2<br>3 | 0.2<br>2 | 0        | 0.0<br>5 | 0.0<br>3 | 0.0<br>2 | 0.1<br>0 | 0.0<br>2 | 0  | 0.4<br>7 | 0.1<br>6 | 0.2<br>4 |          |
| 29. Please indicate how effective each service (used) was in assisting you: Attend Training                       | 0.1<br>3 | 0.2<br>7 | 0.0<br>6 | 0.0<br>4 | 0.0<br>5 | 0.1<br>6 | 0.0<br>8 | 0.0<br>8 | 0.1<br>2 | 0.1<br>4 | 0.1<br>9 | 0.0<br>4 | 0.0<br>9 | 0.0<br>4 | 0.0<br>3 | 0.0<br>8 | 0.1<br>4 | 0.0<br>3 | 0.3<br>6 | 0.0<br>5 | 0.3<br>8 | 0.1<br>0 | 0.1<br>0 | 0  | 0.1<br>6 | 0.1<br>1 | 0.1<br>7 |          |
| 30. Please indicate how effective each service (used) was in assisting you: See an Adviser                        | 0.1<br>2 | 0.0<br>2 | 0.1<br>4 | 0.0<br>2 | 0.0<br>1 | 0.0<br>7 | 0.0<br>7 | 0.0<br>6 | 0.0<br>6 | 0.0<br>9 | 0.0<br>0 | 0.0<br>9 | 0.0<br>5 | 0.1<br>1 | 0.0<br>4 | 0.0<br>4 | 0.0<br>1 | 0.0<br>8 | 0.0<br>8 | 0.1<br>3 | 0.0<br>9 | 0.2<br>1 | 0.1<br>3 | 0  | 0.3<br>9 | 0.2<br>4 | 0.1<br>7 |          |
| 31. Please indicate how effective each service (used) was in assisting you: Have a Mentor                         | 0.0<br>2 | 0.0<br>5 | 0.0<br>5 | 0.1<br>2 | 0.0<br>5 | 0.0<br>7 | 0.0<br>7 | 0.0<br>8 | 0.0<br>5 | 0.0<br>3 | 0.0<br>8 | 0.1<br>9 | 0.2<br>2 | 0.1<br>1 | 0.0<br>4 | 0.0<br>4 | 0.0<br>6 | 0.1<br>5 | 0.2<br>2 | 0.1<br>1 | 0.2<br>2 | 0.4<br>7 | 0.5<br>7 | 0  | 0.0<br>5 | 0.0<br>5 | 0.2<br>6 |          |
| 32. The BLSS Support I received meant that I managed to: i. Form legal entity (Limited Company)                   | 0.0<br>3 | 0.0<br>6 | 0.1<br>5 | 0.0<br>4 | 0.1<br>1 | 0.0<br>1 | 0.0<br>5 | 0.1<br>2 | 0.3<br>0 | 0.1<br>3 | 0.1<br>1 | 0.1<br>5 | 0.0<br>4 | 0.0<br>8 | 0.0<br>5 | 0.0<br>2 | 0.0<br>5 | 0.0<br>1 | 0.0<br>9 | 0.1<br>2 | 0.0<br>9 | 0.0<br>7 | 0.1<br>3 | 0  | 0.2<br>6 | 0.3<br>6 | 0.1<br>4 | 0.3<br>4 |
| 33. The BLSS Support I received meant that I managed to: ii. Prepare a business plan                              | 0.0<br>1 | 0.2<br>3 | 0.0<br>5 | 0.0<br>5 | 0.0<br>2 | 0.0<br>4 | 0.0<br>6 | 0.0<br>1 | 0.2<br>3 | 0.0<br>1 | 0.0<br>3 | 0.1<br>1 | 0.0<br>8 | 0.0<br>8 | 0.0<br>3 | 0.0<br>4 | 0.0<br>1 | 0.1<br>1 | 0.1<br>3 | 0.3<br>7 | 0.1<br>3 | 0.3<br>5 | 0.0<br>3 | 0  | 0.2<br>7 | 0.2<br>6 | 0.3<br>7 | 0.5<br>4 |
| 34. The BLSS Support I received meant that I managed to: iii. Save money to invest                                | 0.0<br>2 | 0.0<br>5 | 0.0<br>4 | 0.0<br>0 | 0.1<br>1 | 0.0<br>6 | 0.0<br>7 | 0.0<br>7 | 0.2<br>3 | 0.0<br>6 | 0.0<br>7 | 0.1<br>9 | 0.1<br>3 | 0.0<br>6 | 0.1<br>2 | 0.0<br>7 | 0.0<br>7 | 0.0<br>5 | 0.0<br>4 | 0.1<br>3 | 0.0<br>7 | 0.0<br>3 | 0.0<br>9 | 0  | 0.2<br>4 | 0.3<br>3 | 0.1<br>6 | 0.4<br>5 |



|  | 2        | 4               | 5               | 6               | 7               | 8               | 9               | 10              | 11              | 12              | 13              | 14              | 15              | 16              | 17              | 18              | 19              | 20              | 21              | 22              | 23              | 24              | 25              | 26              | 27              | 28              | 29              | 30              |
|--|----------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 35. The BLSS Support I received meant that I managed to: iv. Invest own money                              | 0.0<br>9 | 0.0<br>1<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>0<br>0.1 | 0.2<br>5<br>0.2 | 0.2<br>8<br>0.2 | 0.1<br>2<br>0.1 | 0.4<br>6<br>0.4 |
| 36. The BLSS Support I received meant that I managed to: v. Ask or Apply for funding                       | 0.1<br>6 | 0.0<br>4<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>5<br>0.1 | 0.1<br>1<br>0.1 | 0.2<br>5<br>0.2 |
| 37. The BLSS Support I received meant that I managed to: vi. Get financial support                         | 0.1<br>4 | 0.0<br>0<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>4<br>0.1 | 0.1<br>3<br>0.1 | 0.2<br>4<br>0.2 |
| 38. The BLSS Support I received meant that I managed to: vii. Organise team (Partnerships and Networks)    | 0.0<br>7 | 0.0<br>8<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>0<br>0.1 | 0.2<br>8<br>0.2 | 0.1<br>9<br>0.1 | 0.2<br>1<br>0.2 | 0.3<br>9<br>0.3 |
| 39. The BLSS Support I received meant that I managed to: viii. Hire employees                              | 0.1<br>3 | 0.0<br>5<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>5<br>0.1 | 0.1<br>9<br>0.1 |
| 40. The BLSS Support I received meant that I managed to: ix. Buy or rent facilities / equipment            | 0.0<br>4 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>0<br>0.1 | 0.1<br>5<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>0<br>0.1 | 0.2<br>8<br>0.2 |
| 41. The BLSS Support I received meant that I managed to: x. Look for facilities / premises                 | 0.0<br>3 | 0.0<br>1<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>8<br>0.1 | 0.0<br>9<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>0<br>0.1 | 0.2<br>5<br>0.2 | 0.1<br>5<br>0.1 | 0.0<br>6<br>0.1 | 0.3<br>1<br>0.3 |
| 42. The BLSS Support I received meant that I managed to: xi. Develop models, prototype, catalogue, website | 0.0<br>6 | 0.0<br>1<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>2<br>0.1 | 0.0<br>6<br>0.1 | 0.0<br>7<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>1<br>0.1 | 0.0<br>5<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>4<br>0.1 | 0.0<br>3<br>0.1 | 0.0<br>0<br>0.1 | 0.0<br>3<br>0.1 | 0.1<br>7<br>0.1 | 0.2<br>2<br>0.2 | 0.4<br>2<br>0.4 |

|   | 2        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26     | 27       | 28       | 29       | 30       |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------|----------|----------|----------|----------|
| etc   |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |        |          |          |          |          |
| 43. The BLSS Support I received meant that I managed to: xii. Work full time at new business  | 0.0<br>2 | 0.0<br>5 | 0.0<br>2 | 0.1<br>1 | 0<br>0   | 0.0<br>8 | 0.1<br>3 | 0.0<br>9 | 0.2<br>6 | 0.1<br>9 | 0.0<br>2 | 0.0<br>6 | 0.0<br>1 | 0.1<br>1 | 0.0<br>1 | 0.0<br>2 | 0.0<br>5 | 0.0<br>6 | 0.1<br>2 | 0.2<br>7 | 0.0<br>3 | 0.1<br>9 | 0.0<br>4 | 0<br>0 | 0.1<br>3 | 0.0<br>2 | 0.2<br>5 | 0.4<br>1 |
| 44. The BLSS Support I received meant that I managed to: xiii. Register business and licences   | 0        | 0.0<br>6 | 0.0<br>8 | 0.1<br>8 | 0.0<br>6 | 0.0<br>1 | 0.1<br>2 | 0.1<br>4 | 0.1<br>5 | 0.0<br>1 | 0.0<br>4 | 0.0<br>9 | 0.1<br>5 | 0<br>0   | 0.0<br>7 | 0.1<br>6 | 0.0<br>2 | 0.0<br>8 | 0.1<br>3 | 0.4<br>5 | 0.0<br>7 | 0.3<br>3 | 0.2<br>3 | 0<br>0 | 0.2<br>4 | 0.1<br>6 | 0.2<br>2 | 0.4      |
| 45. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Helped me to decide not to start a business | 0.1<br>1 | 0.0<br>4 | 0.1<br>2 | 0.2<br>6 | 0.1<br>3 | 0.0<br>9 | 0.0<br>1 | 0.0<br>4 | 0.1<br>8 | 0.0<br>6 | 0.1<br>2 | 0.0<br>5 | 0.0<br>2 | 0.2<br>2 | 0.1<br>9 | 0.0<br>8 | 0.0<br>5 | 0.1<br>6 | 0.3<br>3 | 0.0<br>2 | 0.0<br>4 | 0.0<br>4 | 0.0<br>6 | 0<br>0 | 0.1<br>7 | 0.0<br>9 | 0.0<br>8 | 0.2<br>3 |
| 46. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Assisted in starting a business             | 0.0<br>7 | 0.2<br>6 | 0.2<br>6 | 0.0<br>8 | 0.0<br>9 | 0.0<br>8 | 0.0<br>5 | 0.0<br>1 | 0.0<br>6 | 0.2<br>5 | 0.1<br>4 | 0.1<br>1 | 0.0<br>1 | 0.1<br>8 | 0.1<br>4 | 0.0<br>9 | 0.1<br>1 | 0.0<br>5 | 0.0<br>3 | 0.1<br>6 | 0.0<br>7 | 0.2<br>6 | 0.3<br>3 | 0<br>0 | 0.2<br>6 | 0.2<br>5 | 0.3<br>7 | 0.4<br>6 |
| 47. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business:   | 0.0<br>6 | 0.0<br>8 | 0.2<br>5 | 0.0<br>4 | 0.0<br>6 | 0.0<br>4 | 0.0<br>5 | 0.0<br>7 | 0.0<br>3 | 0.1<br>1 | 0.0<br>9 | 0.2<br>1 | 0.0<br>5 | 0.1<br>5 | 0.0<br>9 | 0.0<br>1 | 0.1<br>7 | 0.0<br>6 | 0.1<br>3 | 0.1<br>4 | 0.1<br>9 | 0.3<br>4 | 0.5<br>0 | 0<br>0 | 0.1<br>9 | 0.1<br>3 | 0.2<br>8 | 0.5<br>6 |



|   | 2        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26 | 27       | 28       | 29       | 30       |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----|----------|----------|----------|----------|
| Identification of business issues   |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |    |          |          |          |          |
| 48. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Develop business idea | 0.0<br>1 | 0.0<br>9 | 0.2<br>1 | 0.0<br>2 | 0.0<br>6 | 0.0<br>7 | 0.0<br>2 | 0.0<br>3 | 0.0<br>9 | 0.1<br>3 | 0.1<br>8 | 0.0<br>9 | 0.0<br>9 | 0.1<br>1 | 0.0<br>9 | 0.1<br>2 | 0.1<br>4 | 0.0<br>1 | 0.1<br>4 | 0.1<br>3 | 0.1<br>7 | 0.2<br>8 | 0.5<br>6 | 0  | 0.2<br>7 | 0.1<br>4 | 0.3<br>3 | 0.5<br>2 |
| 49. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Gain business skills  | 0.0<br>2 | 0.1<br>1 | 0.2<br>2 | 0.0<br>5 | 0.0<br>4 | 0.0<br>2 | 0.0<br>3 | 0.0<br>2 | 0.1<br>1 | 0.0<br>3 | 0.0<br>6 | 0.2<br>1 | 0.0<br>1 | 0.0<br>3 | 0.0<br>7 | 0.0<br>8 | 0.1<br>9 | 0.0<br>2 | 0.2<br>2 | 0.1<br>2 | 0.3<br>1 | 0.3<br>6 | 0.5<br>5 | 0  | 0.1<br>9 | 0.1<br>4 | 0.4<br>3 | 0.4<br>5 |
| 50. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Access finance        | 0.0<br>8 | 0        | 0.1<br>2 | 0.0<br>4 | 0.0<br>5 | 0.0<br>4 | 0.1<br>5 | 0.1<br>2 | 0.0<br>7 | 0.1<br>4 | 0.0<br>9 | 0.1<br>4 | 0.0<br>2 | 0.1<br>2 | 0.1<br>3 | 0.1<br>4 | 0.0<br>2 | 0.0<br>6 | 0.1<br>5 | 0.2<br>5 | 0.1<br>2 | 0.2<br>9 | 0.4<br>1 | 0  | 0.0<br>9 | 0.1<br>6 | 0.1<br>8 | 0.3<br>9 |
| 51. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Gain self confidence  | 0.0<br>7 | 0.0<br>8 | 0.2<br>5 | 0.0<br>6 | 0.0<br>2 | 0.1<br>1 | 0.0<br>7 | 0.0<br>3 | 0.2<br>3 | 0.0<br>3 | 0.1<br>1 | 0.0<br>5 | 0.0<br>9 | 0.0<br>0 | 0.0<br>2 | 0.0<br>5 | 0.0<br>4 | 0.0<br>1 | 0.0<br>1 | 0.0<br>7 | 0.0<br>8 | 0.4<br>7 | 0.3<br>4 | 0  | 0.2<br>1 | 0.0<br>8 | 0.3<br>5 | 0.4<br>9 |
| 52. Please indicate how useful the services you   | 0.0<br>9 | 0.1<br>8 | 0.2<br>2 | 0.2<br>4 | 0.0<br>2 | 0.0<br>2 | 0.0<br>9 | 0.0<br>1 | 0.1<br>4 | 0.0<br>4 | 0.1<br>8 | 0.2<br>0 | 0.0<br>8 | 0.1<br>6 | 0.0<br>5 | 0        | 0.0<br>8 | 0.0<br>6 | 0.1<br>6 | 0.1<br>1 | 0.3<br>8 | 0.1<br>1 | 0.1<br>1 | 0  | 0.3<br>1 | 0.1<br>9 | 0.2<br>5 | 0.3<br>9 |

|   | 2        | 4        | 5        | 6        | 7        | 8        | 9        | 10       | 11       | 12       | 13       | 14       | 15       | 16       | 17       | 18       | 19       | 20       | 21       | 22       | 23       | 24       | 25       | 26       | 27       | 28       | 29       | 30       |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| received (website, training, advisor) were in assisting you in starting or growing your business: Create business networks            |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| 53. Please indicate the overall value of the support you received from Business Link Start-up Service: Usefulness of information      | 0.0<br>4 | 0.0<br>7 | 0.2<br>2 | 0.0<br>8 | 0.0<br>6 | 0.0<br>5 | 0.0<br>8 | 0.0<br>3 | 0.2<br>9 | 0.0<br>7 | 0.0<br>5 | 0.1<br>5 | 0.1<br>2 | 0.0<br>3 | 0.0<br>3 | 0.1<br>1 | 0.0<br>4 | 0.0<br>5 | 0.0<br>6 | 0.2<br>8 | 0.3<br>6 | 0.4<br>3 | 0        | 0.3<br>1 | 0.1<br>5 | 0.4<br>4 | 0.4<br>6 |          |
| 54. Please indicate the overall value of the support you received from Business Link Start-up Service: Relevancy of the information   | 0.0<br>3 | 0.1<br>3 | 0.2<br>8 | 0        | 0.1<br>6 | 0.1<br>6 | 0.0<br>2 | 0.0<br>1 | 0.1<br>9 | 0.0<br>2 | 0        | 0.1<br>3 | 0.1<br>3 | 0.0<br>2 | 0.0<br>2 | 0.1<br>2 | 0.1<br>2 | 0        | 0.0<br>9 | 0.1<br>4 | 0.2<br>9 | 0.4<br>5 | 0.4<br>5 | 0        | 0.2<br>8 | 0.1<br>3 | 0.4<br>5 | 0.4<br>8 |
| 55. Please indicate the overall value of the support you received from Business Link Start-up Service: Timeliness of the information. | 0.0<br>5 | 0.0<br>6 | 0.2<br>4 | 0.0<br>2 | 0.0<br>2 | 0.0<br>6 | 0.0<br>1 | 0.0<br>1 | 0.1<br>4 | 0.0<br>6 | 0.1<br>1 | 0.0<br>8 | 0.1<br>8 | 0.0<br>5 | 0        | 0.0<br>8 | 0.1<br>1 | 0.1<br>6 | 0.0<br>7 | 0.2<br>2 | 0.3<br>1 | 0.2<br>8 | 0        | 0.4<br>2 | 0.1<br>7 | 0.4<br>3 | 0.4<br>6 |          |
| 56. Please indicate the overall value of the support you received from Business Link Start-up Service: Rate your overall experience   | 0        | 0.0<br>5 | 0.3<br>4 | 0.0<br>8 | 0.0<br>3 | 0.0<br>6 | 0.0<br>1 | 0.0<br>1 | 0.1<br>3 | 0.0<br>2 | 0.0<br>5 | 0.0<br>3 | 0.1<br>5 | 0.0<br>1 | 0.0<br>3 | 0.1<br>6 | 0.0<br>4 | 0.0<br>7 | 0.1<br>3 | 0.2<br>2 | 0.3<br>2 | 0.4<br>4 | 0        | 0.3<br>4 | 0.1<br>9 | 0.4<br>8 | 0.5<br>5 |          |
| 61. Did you utilise any other business support resources or programmes?: Train to Gain  | 0.1<br>3 | 0.0<br>5 | 0.0<br>4 | 0.0<br>6 | 0.0<br>8 | 0.0<br>8 | 0.2<br>5 | 0.1<br>5 | 0.1<br>7 | 0.1<br>4 | 0.0<br>7 | 0.1<br>9 | 0.1<br>1 | 0.0<br>7 | 0.0<br>1 | 0.1<br>1 | 0.0<br>1 | 0.1<br>6 | 0.1<br>8 | 0.4<br>3 | 0.2<br>3 | 0.0<br>8 | 0.1<br>8 | 0.1<br>9 | 0.0<br>4 | 0.1<br>7 | 0.0<br>8 |          |



|   | 2             | 4             | 5             | 6             | 7             | 8             | 9             | 10            | 11            | 12            | 13            | 14            | 15            | 16            | 17            | 18            | 19            | 20            | 21            | 22            | 23            | 24            | 25            | 26            | 27            | 28            | 29            | 30       |          |  |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|----------|--|
| 62. Did you utilise any other business support resources or programmes?: Pathways to Business | 0.1<br>2      | 0.0<br>9      | 0.0<br>6      | -<br>0.1<br>2 | -<br>0.1<br>7 | -<br>0.1<br>8 | -<br>0.2<br>7 | -<br>0.2<br>7 | -<br>0.0<br>5 | 0.0<br>9      | 0.0<br>7      | -<br>0.2<br>6 | -<br>0.2<br>3 | 0.1<br>1      | -<br>0.0<br>1 | 0.1<br>2      | 0.0<br>6      | -<br>0.1<br>9 | -<br>0.2<br>3 | -<br>0.5<br>3 | 0.0<br>1      | -<br>0.4<br>2 | -<br>0.2<br>4 | -<br>0.1<br>7 | 0.2<br>4      | 0.1<br>7      |               |          |          |  |
| 63. Did you utilise any other business support resources or programmes?: Small Business Loans | 0.1<br>1      | 0<br>0        | 0.1<br>2      | -<br>0.2<br>9 | -<br>0.2<br>5 | -<br>0.2<br>1 | -<br>0.1<br>1 | -<br>0.1<br>1 | -<br>0.1<br>4 | 0.0<br>4      | 0.2<br>3      | -<br>0.1<br>6 | -<br>0.0<br>2 | -<br>0.1<br>2 | -<br>0.3<br>2 | 0.0<br>7      | -<br>0.0<br>4 | -<br>0.0<br>3 | 0<br>0        | -<br>0.0<br>5 | 0.0<br>5      | -<br>0.1<br>6 | 0.1<br>3      | 0<br>0        | 0.0<br>2      | 0.0<br>8      | -<br>0.0<br>6 | 0.0<br>1 |          |  |
| 64. Did you utilise any other business support resources or programmes?: Export Training      | -<br>0.0<br>7 | -<br>0.1<br>0 | 0.0<br>8      | -<br>0.0<br>8 | 0.0<br>3      | 0.0<br>8      | 0.0<br>6      | 0.0<br>9      | -<br>0.1<br>4 | 0.1<br>6      | 0.0<br>1      | -<br>0.1<br>5 | -<br>0.0<br>2 | -<br>0.1<br>2 | 0<br>0        | -<br>0.0<br>5 | -<br>0.0<br>9 | -<br>0.0<br>9 | 0<br>0        | -<br>0.2<br>7 | -<br>0.0<br>5 | -<br>0.2<br>7 | 0.1<br>9      | 0<br>0        | -<br>0.1<br>8 | -<br>0.0<br>5 | 0.1<br>0      | 0.0<br>5 |          |  |
| 65. Did you utilise any other business support resources or programmes?: High Growth Support  | -<br>0.0<br>5 | -<br>0.0<br>7 | 0.0<br>6      | -<br>0.0<br>6 | -<br>0.0<br>4 | -<br>0.0<br>1 | 0.0<br>4      | 0.0<br>4      | -<br>0.1<br>1 | 0.2<br>5      | 0.0<br>8      | -<br>0.1<br>1 | -<br>0.0<br>1 | -<br>0.0<br>8 | 0.0<br>7      | 0.0<br>5      | 0.0<br>1      | 0.0<br>3      | 0<br>0        | -<br>0.1<br>1 | 0.1<br>4      | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0.1<br>9      |          |          |  |
| 66. Did you utilise any other business support resources or programmes?: Business Incubation  | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0.0<br>8      | 0.1<br>7      | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0        | 0<br>0   | 0<br>0   |  |
| 68. At what stage of starting a business are you now (today)?                                 | 0.0<br>6      | 0.1<br>3      | 0.0<br>2      | 0.1<br>8      | 0.0<br>2      | 0.0<br>5      | 0.0<br>4      | 0.0<br>6      | 0<br>0        | 0.0<br>2      | 0.1<br>3      | -<br>0.0<br>1 | -<br>0.0<br>3 | 0.0<br>6      | 0.0<br>2      | 0<br>0        | 0.1<br>1      | 0.1<br>1      | 0.1<br>9      | 0.1<br>9      | 0.2<br>4      | 0.0<br>8      | 0.1<br>7      | 0<br>0        | 0.0<br>6      | -<br>0.0<br>2 | -<br>0.0<br>8 | 0.1<br>1 | 0.1<br>0 |  |
| 69. Have you started a new business since getting start-up support?                           | -<br>0.0<br>1 | 0.2<br>3      | 0.1<br>6      | -<br>0.0<br>8 | -<br>0.0<br>5 | -<br>0.0<br>5 | -<br>0.0<br>7 | -<br>0.0<br>7 | -<br>0.0<br>1 | 0.0<br>9      | 0.0<br>9      | -<br>0.0<br>3 | -<br>0.0<br>3 | 0.0<br>3      | 0.0<br>4      | 0.1<br>8      | -<br>0.0<br>1 | 0.1<br>1      | -<br>0.0<br>4 | -<br>0.3<br>5 | -<br>0.2<br>1 | -<br>0.2<br>2 | -<br>0.1<br>7 | 0.2<br>2      | 0.2<br>7      | 0.1<br>7      | 0.1<br>2      | 0.2<br>2 |          |  |
| 72. If no, when do you plan to start?   | -<br>0.1<br>2 | 0.4<br>3      | 0.5<br>3      | 0.2<br>3      | 0.3<br>6      | 0.4<br>9      | 0.4<br>9      | 0.1<br>7      | 0.2<br>4      | 0.3<br>1      | 0.2<br>9      | 0.1<br>9      | 0.2<br>4      | 0.5<br>2      | 0.4<br>7      | 0.0<br>6      | -<br>0.0<br>5 | -<br>0.0<br>6 | 0.0<br>9      | -<br>0.2<br>2 | 0.0<br>1      | 0.0<br>1      | -<br>0.1<br>2 | 0<br>0        | 0.1<br>7      | 0<br>0        | 0.1<br>4      | 0.1<br>6 |          |  |
| 73. Which of these organisations supported you?   | 0<br>0        | -<br>0.4<br>5 | -<br>0.6<br>5 | -<br>0.6<br>5 | -<br>0.4<br>5 | -<br>0.4<br>9 | -<br>0.8<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | -<br>0.4<br>5 | 0.1<br>3      | -<br>0.5<br>0 | -<br>0.3<br>3 | -<br>0.4<br>9 | 0<br>0        | -<br>0.4<br>9 | 0<br>0        | 0.1<br>7      | -<br>0.4<br>1 | -<br>0.4<br>1 | 0.1<br>7 | 0.5<br>7 |  |
| 75. How many years work experience do you have?   | 0.0<br>4      | 0.0<br>2      | 0.0<br>5      | 0.0<br>9      | 0.0<br>7      | 0.0<br>7      | 0.0<br>2      | 0.1<br>9      | 0.0<br>6      | 0.0<br>7      | 0.1<br>3      | 0.0<br>9      | 0<br>0        | 0.1<br>3      | 0<br>0        | 0.0<br>1      | 0.1<br>1      | -<br>0.1<br>9 | -<br>0.2<br>7 | -<br>0.4<br>7 | 0.0<br>8      | -<br>0.2<br>5 | -<br>0.2<br>4 | 0<br>0        | 0.0<br>3      | 0.0<br>6      | -<br>0.1<br>5 | 0.1<br>0 | 0.0<br>8 |  |

|  | 2       | 4       | 5       | 6       | 7       | 8       | 9       | 10      | 11      | 12      | 13      | 14    | 15      | 16      | 17      | 18    | 19      | 20    | 21      | 22      | 23      | 24      | 25    | 26    | 27      | 28      | 29      | 30    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|---------|---------|---------|-------|---------|-------|---------|---------|---------|---------|-------|-------|---------|---------|---------|-------|
| 76. What is the highest level of education you have attained?                    | - 0.0 2 | - 0.0 0 | - 0.0 1 | - 0.0 8 | - 0.1 6 | - 0.1 3 | 0.0 3   | 0.0 4   | 0.0 5   | 0.0 8   | 0.0 1   | 0.0 7 | 0.0 1   | 0.0 4   | 0       | 0     | 0.0 8   | 0.0 7 | 0.0 2   | 0.0 5   | 0.1 8   | 0.0 1   | 0.3 9 | 0     | 0.0 3   | 0.1 3   | 0.1 1   | 0.2 1 |
| 77. Gender   | 0.0 3   | 0.0 1   | - 0.1 1 | - 0.1 3 | - 0.1 3 | - 0.1 1 | 0.0 4   | 0.0 5   | 0.1 2   | 0.1 5   | 0.0 4   | 0.0 2 | 0.0 5   | - 0.0 6 | - 0.1 1 | 0.0 9 | - 0.0 9 | 0.0 9 | 0.2 3   | 0.1 4   | 0.1 1   | 0.1 4   | 0.1 1 | 0     | 0.0 5   | - 0.3 7 | - 0.2 7 | 0.0 3 |
| 78. Age  | - 0.0 5 | 0.0 4   | - 0.0 4 | 0.0 1   | - 0.0 4 | - 0.0 1 | - 0.1 4 | - 0.2 3 | - 0.0 3 | 0.0 7   | - 0.0 4 | 0.1 6 | - 0.0 2 | 0.0 1   | - 0.1 1 | 0.0 3 | 0.1 5   | 0.0 9 | - 0.3 1 | - 0.4 5 | - 0.0 8 | - 0.1 5 | 0     | 0.0 3 | - 0.1 7 | - 0.1 7 | 0.1 3   | 0.0 3 |
| 79. How would you describe yourself?   | 0.1 2   | 0.1 2   | - 0.1 5 | 0.1 1   | 0.0 6   | 0.0 3   | - 0.1 1 | 0.0 8   | 0.0 4   | 0.0 1   | 0.0 3   | 0.0 8 | 0.0 3   | - 0.0 4 | - 0.0 9 | 0.0 7 | - 0.0 9 | 0.2 2 | 0.3 2   | 0.3 7   | 0.0 1   | - 0.1 1 | 0     | 0     | 0.0 5   | 0.0 7   | 0.1 9   | 0.0 9 |
| 80. If you are in business, what does your business do? (Please circle only one) | - 0.1 1 | - 0.0 8 | 0.1 1   | 0.1 1   | 0.0 8   | 0.0 1   | 0.1 9   | 0.1 2   | - 0.0 6 | - 0.1 1 | 0.1 3   | 0.0 4 | - 0.0 9 | - 0.0 7 | 0.1 3   | 0     | 0.2 2   | 0     | - 0.3 2 | - 0.1 2 | 0.1 1   | 0.0 1   | 0.0 5 | 0     | 0.0 8   | 0.0 5   | - 0.1 6 | 0.0 5 |



# A.19. All Correlations (p2.)

| A.19. All Correlations (pz.)   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|----|
|  | 31   | 32   | 33   | 34   | 35   | 36   | 37   | 38   | 39   | 40   | 41   | 42   | 43   | 44   | 45   | 46   | 47   | 48   | 49   | 50   | 51   | 52   | 53   | 54   | 55   | 56   | 61   | 62   | 63   | 64   | 65   | 66 |
| 2. Have you ever started and run a business before you got start-up support?   | -    | 0.02 | 0.03 | 0.01 | 0.02 | 0.09 | 0.16 | 0.14 | 0.07 | 0.13 | 0.04 | 0.03 | 0.06 | 0.02 | 0.11 | 0.07 | 0.06 | 0.01 | 0.02 | 0.08 | 0.07 | 0.09 | 0.04 | 0.03 | 0.05 | 0.00 | 0.13 | 0.12 | 0.01 | 0.07 | 0.05 | 0  |
| 4. At what stage of starting a business were you when you contacted the BLSS?  | -    | 0.05 | 0.06 | 0.02 | 0.05 | 0.01 | 0.04 | 0.08 | 0.05 | 0.03 | 0.01 | 0.01 | 0.05 | 0.06 | 0.04 | 0.26 | 0.08 | 0.09 | 0.11 | 0    | 0.08 | 0.01 | 0.07 | 0.13 | 0.06 | 0.05 | 0.09 | 0.00 | 0.01 | 0.07 | 0    |    |
| 5. Please indicate the progress you had made before contacting BLSS: i. Form legal entity (Limited company)          | 0.05 | 0.15 | 0.23 | 0.04 | 0.09 | 0.01 | 0.09 | 0.06 | 0.06 | 0.02 | 0.02 | 0.03 | 0.02 | 0.08 | 0.12 | 0.26 | 0.25 | 0.21 | 0.22 | 0.01 | 0.25 | 0.22 | 0.22 | 0.28 | 0.24 | 0.03 | 0.04 | 0.06 | 0.12 | 0.08 | 0.06 | 0  |
| 6. Please indicate the progress you had made before contacting BLSS: ii. Prepare a business plan                     | -    | 0.12 | 0.04 | 0.05 | 0.01 | 0.08 | 0.18 | 0.07 | 0.12 | 0.17 | 0.11 | 0.02 | 0.11 | 0.18 | 0.26 | 0.08 | 0.04 | 0.02 | 0.05 | 0.04 | 0.06 | 0.04 | 0.08 | 0    | 0.02 | 0.08 | 0.12 | 0.29 | 0.08 | 0.06 | 0    |    |
| 7. Please indicate the progress you had made before contacting BLSS: iii. Save money to invest                       | -    | 0.05 | 0.11 | 0.02 | 0.11 | 0.01 | 0.09 | 0.13 | 0.02 | 0.06 | 0.03 | 0.06 | 0    | 0.06 | 0.13 | 0.09 | 0.06 | 0.06 | 0.04 | 0.05 | 0.02 | 0.02 | 0.06 | 0.16 | 0.02 | 0.03 | 0.08 | 0.17 | 0.25 | 0.03 | 0.04 | 0  |
| 8. Please indicate the progress you had made before contacting BLSS: iv. Invest own money                            | -    | 0.07 | 0.01 | 0.04 | 0.06 | 0.04 | 0.15 | 0.04 | 0.03 | 0.11 | 0.02 | 0.07 | 0.08 | 0.01 | 0.09 | 0.08 | 0.04 | 0.07 | 0.02 | 0.04 | 0.11 | 0.09 | 0.05 | 0.16 | 0.06 | 0.08 | 0.18 | 0.21 | 0.08 | 0.01 | 0    |    |
| 9. Please indicate the progress you had made before contacting BLSS: v. Ask or apply for funding                     | -    | 0.02 | 0.00 | 0.06 | 0.07 | 0.08 | 0.28 | 0.16 | 0.21 | 0.17 | 0.13 | 0.13 | 0.13 | 0.12 | 0.01 | 0.05 | 0.05 | 0.02 | 0.03 | 0.15 | 0.07 | 0.09 | 0.08 | 0.02 | 0.01 | 0.01 | 0.25 | 0.27 | 0.01 | 0.06 | 0.04 | 0  |
| 10. Please indicate the progress you had made before contacting BLSS: vi. Get / Receive financial support            | -    | 0.08 | 0.12 | 0.01 | 0.07 | 0.02 | 0.26 | 0.18 | 0.22 | 0.16 | 0.11 | 0.01 | 0.09 | 0.14 | 0.04 | 0.01 | 0.07 | 0.03 | 0.02 | 0.12 | 0.03 | 0.01 | 0.03 | 0.01 | 0.01 | 0.01 | 0.15 | 0.27 | 0.01 | 0.09 | 0.04 | 0  |
| 11. Please indicate the progress you had made before contacting BLSS: vii. Organise team (Partnerships and Networks) | -    | 0.05 | 0.00 | 0.23 | 0.23 | 0.14 | 0.18 | 0.13 | 0.23 | 0.12 | 0.15 | 0.15 | 0.26 | 0.15 | 0.18 | 0.06 | 0.03 | 0.09 | 0.11 | 0.07 | 0.02 | 0.14 | 0.02 | 0.19 | 0.14 | 0.13 | 0.17 | 0.05 | 0.14 | 0.14 | 0.01 | 0  |

|  |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |   |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---|
| 12. Please indicate the progress you had made before contacting BLSS: viii. Hire employees                                 | - 0. 03 | - 0. 13 | - 0. 01 | - 0. 06 | - 0. 01 | - 0. 06 | - 0. 04 | - 0. 07 | - 0. 11 | - 0. 19 | - 0. 01 | - 0. 06 | - 0. 25 | - 0. 11 | - 0. 06 | - 0. 03 | - 0. 14 | - 0. 04 | - 0. 09 | - 0. 14 | - 0. 02 | - 0. 06 | - 0. 02 | - 0. 07 | - 0. 04 | - 0. 16 | - 0. 25 | 0 |
| 13. Please indicate the progress you had made before contacting BLSS: ix. Buy or rent facilities / equipment               | - 0. 08 | - 0. 11 | - 0. 03 | - 0. 07 | - 0. 01 | - 0. 06 | - 0. 02 | - 0. 01 | - 0. 06 | - 0. 02 | - 0. 04 | - 0. 12 | - 0. 14 | - 0. 09 | - 0. 06 | - 0. 03 | - 0. 18 | - 0. 09 | - 0. 05 | - 0. 18 | - 0. 05 | - 0. 11 | - 0. 05 | - 0. 07 | - 0. 23 | - 0. 01 | - 0. 08 | 0 |
| 14. Please indicate the progress you had made before contacting BLSS: x. Look for facilities                               | - 0. 19 | - 0. 15 | - 0. 11 | - 0. 19 | - 0. 08 | - 0. 28 | - 0. 02 | - 0. 01 | - 0. 21 | - 0. 06 | - 0. 09 | - 0. 05 | - 0. 2  | - 0. 09 | - 0. 02 | - 0. 05 | - 0. 2  | - 0. 14 | - 0. 05 | - 0. 2  | - 0. 08 | - 0. 1  | - 0. 03 | - 0. 19 | - 0. 26 | - 0. 16 | - 0. 11 | 0 |
| 15. Please indicate the progress you had made before contacting BLSS: xi. Develop models, prototypes, samples or catalogue | - 0. 22 | - 0. 04 | - 0. 08 | - 0. 13 | - 0. 06 | - 0. 18 | - 0. 02 | - 0. 17 | - 0. 05 | - 0. 01 | - 0. 15 | - 0. 02 | - 0. 01 | - 0. 05 | - 0. 08 | - 0. 09 | - 0. 01 | - 0. 02 | - 0. 09 | - 0. 08 | - 0. 1  | - 0. 18 | - 0. 15 | - 0. 23 | - 0. 02 | - 0. 02 | - 0. 1  | 0 |
| 16. Please indicate the progress you had made before contacting BLSS: xii. Work full time at new business                  | - 0. 11 | - 0. 08 | - 0. 06 | - 0. 15 | - 0. 06 | - 0. 02 | - 0. 03 | - 0. 02 | - 0. 1  | - 0. 11 | - 0. 03 | - 0. 12 | - 0. 03 | - 0. 11 | - 0. 07 | - 0. 05 | - 0. 07 | - 0. 12 | - 0. 01 | - 0. 1  | - 0. 05 | - 0. 1  | - 0. 07 | - 0. 1  | - 0. 12 | - 0. 12 | - 0. 08 | 0 |
| 17. Please indicate the progress you had made before contacting BLSS: xiii. Register business and licences                 | 0. 04   | - 0. 05 | - 0. 03 | - 0. 12 | - 0. 07 | - 0. 06 | - 0. 12 | - 0. 01 | - 0. 09 | - 0. 01 | - 0. 07 | - 0. 19 | - 0. 14 | - 0. 09 | - 0. 07 | - 0. 13 | - 0. 05 | - 0. 03 | - 0. 05 | - 0. 01 | - 0. 0  | - 0. 02 | - 0. 01 | - 0. 01 | - 0. 03 | - 0. 0  | - 0. 07 | 0 |
| 18. What type of assistance were you looking for when you contacted Business Link?   | 0. 04   | - 0. 02 | - 0. 04 | - 0. 07 | - 0. 08 | - 0. 04 | - 0. 02 | - 0. 09 | - 0. 01 | - 0. 02 | - 0. 16 | - 0. 08 | - 0. 09 | - 0. 01 | - 0. 08 | - 0. 14 | - 0. 05 | - 0. 03 | - 0. 11 | - 0. 12 | - 0. 03 | - 0. 05 | - 0. 11 | - 0. 12 | - 0. 07 | - 0. 05 | - 0. 05 | 0 |
| 19. What support did you access from the Business Link start-Up Service?   | - 0. 06 | - 0. 05 | - 0. 1  | - 0. 07 | - 0. 05 | - 0. 07 | - 0. 04 | - 0. 04 | - 0. 17 | - 0. 05 | - 0. 02 | - 0. 05 | - 0. 1  | - 0. 14 | - 0. 19 | - 0. 02 | - 0. 04 | - 0. 08 | - 0. 11 | - 0. 06 | - 0. 18 | - 0. 16 | - 0. 01 | - 0. 06 | - 0. 04 | - 0. 09 | - 0. 01 | 0 |
| 20. Did you attend training, see an advisor, use the website, use the telephone or have a mentor?                          | - 0. 15 | - 0. 01 | - 0. 11 | - 0. 05 | - 0. 04 | - 0. 07 | - 0. 11 | - 0. 03 | - 0. 05 | - 0. 06 | - 0. 08 | - 0. 16 | - 0. 05 | - 0. 06 | - 0. 01 | - 0. 06 | - 0. 16 | - 0. 06 | - 0. 16 | - 0. 04 | - 0. 11 | - 0. 04 | - 0. 19 | - 0. 19 | - 0. 03 | - 0. 09 | - 0. 03 | 0 |
| 21. Approximately how many hours of support have you received to date?: www.businesslink.gov.uk                            | - 0. 22 | - 0. 09 | - 0. 13 | - 0. 04 | - 0. 02 | - 0. 13 | - 0. 19 | - 0. 16 | - 0. 05 | - 0. 04 | - 0. 13 | - 0. 3  | - 0. 03 | - 0. 13 | - 0. 22 | - 0. 15 | - 0. 01 | - 0. 16 | - 0. 16 | - 0. 23 | - 0. 06 | - 0. 09 | - 0. 17 | - 0. 18 | - 0. 23 | - 0. 0  | - 0. 0  | 0 |



|   |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |   |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---|
| 22. Approximately how many hours of support have you received to date?: Use the telephone                         | 0. 1  | 0. 12 | 0. 37 | 0. 13 | 0. 17 | 0. 29 | 0. 21 | 0. 36 | 0. 4  | 0. 36 | 0. 38 | 0     | 0. 27 | 0. 45 | 0. 02 | 0. 16 | 0. 14 | 0. 13 | 0. 12 | 0. 25 | 0. 07 | 0. 11 | 0. 06 | 0. 14 | 0. 07 | 0. 03 | 0. 43 | 0. 53 | 0     | 0. 27 | 0     | 0 |
| 23. Approximately how many hours of support have you received to date?: Attend training                           | 0. 22 | 0. 09 | 0. 13 | 0. 07 | 0. 03 | 0. 02 | 0. 02 | 0. 02 | 0. 06 | 0. 11 | 0. 08 | 0. 03 | 0. 03 | 0. 07 | 0. 04 | 0. 07 | 0. 19 | 0. 17 | 0. 31 | 0. 12 | 0. 08 | 0. 11 | 0. 28 | 0. 29 | 0. 22 | 0. 22 | 0. 23 | 0. 01 | 0. 05 | 0. 05 | 0. 11 | 0 |
| 24. Approximately how many hours of support have you received to date?: See an Adviser                            | 0. 47 | 0. 07 | 0. 35 | 0. 03 | 0. 02 | 0. 27 | 0. 25 | 0. 15 | 0. 17 | 0. 07 | 0. 09 | 0. 04 | 0. 19 | 0. 3  | 0. 04 | 0. 26 | 0. 34 | 0. 28 | 0. 36 | 0. 29 | 0. 47 | 0. 38 | 0. 36 | 0. 4  | 0. 31 | 0. 32 | 0. 08 | 0. 42 | 0. 16 | 0. 27 | 0     | 0 |
| 25. Approximately how many hours of support have you received to date?: Had a Mentor                              | 0. 57 | 0. 13 | 0. 03 | 0. 09 | 0. 04 | 0. 3  | 0. 19 | 0. 02 | 0. 23 | 0. 17 | 0. 24 | 0. 03 | 0. 04 | 0. 23 | 0. 06 | 0. 33 | 5     | 0. 56 | 0. 55 | 0. 41 | 0. 34 | 0. 1  | 0. 43 | 0. 45 | 0. 28 | 0. 44 | 0. 18 | 0. 24 | 0. 13 | 0. 19 | 0     | 0 |
| 26. Approximately how many hours of support have you received to date?: Other                                     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0 |
| 27. Please indicate how effective each service (used) was in assisting you: Use the web (www.businesslink.gov.uk) | 0. 05 | 0. 26 | 0. 27 | 0. 24 | 0. 25 | 0. 09 | 0. 08 | 0. 28 | 0. 3  | 0. 15 | 0. 25 | 0. 3  | 0. 13 | 0. 24 | 0. 17 | 0. 26 | 0. 19 | 0. 27 | 0. 19 | 0. 09 | 0. 21 | 0. 31 | 0. 31 | 0. 28 | 0. 42 | 0. 34 | 0. 19 | 0. 17 | 0. 02 | 0     | 0     | 0 |
| 28. Please indicate how effective each service (used) was in assisting you: Use the telephone (0845)              | 0. 05 | 0. 36 | 0. 26 | 0. 33 | 0. 28 | 0. 05 | 0. 04 | 0. 19 | 0. 07 | 0. 03 | 0. 15 | 0. 17 | 0. 02 | 0. 16 | 0. 09 | 0. 25 | 0. 13 | 0. 14 | 0. 14 | 0. 16 | 0. 08 | 0. 19 | 0. 15 | 0. 13 | 0. 17 | 0. 19 | 0. 04 | 0. 24 | 0. 08 | 0. 18 | 0     | 0 |
| 29. Please indicate how effective each service (used) was in assisting you: Attend Training                       | 0. 08 | 0. 1  | 0. 37 | 0. 16 | 0. 12 | 0. 11 | 0. 13 | 0. 21 | 0. 05 | 0     | 0. 06 | 0. 2  | 0. 25 | 0. 22 | 0. 08 | 0. 37 | 0. 28 | 0. 33 | 0. 43 | 0. 18 | 0. 3  | 0. 25 | 0. 44 | 0. 45 | 0. 43 | 0. 48 | 0. 17 | 0. 17 | 0. 06 | 0. 05 | 0. 1  | 0 |
| 30. Please indicate how effective each service (used) was in assisting you: See an Adviser                        | 0. 26 | 0. 34 | 0. 54 | 0. 45 | 0. 46 | 0. 25 | 0. 24 | 0. 39 | 0. 19 | 0. 28 | 0. 31 | 0. 42 | 0. 41 | 0. 4  | 0. 23 | 0. 46 | 0. 56 | 0. 52 | 0. 45 | 0. 39 | 0. 49 | 0. 39 | 0. 46 | 0. 48 | 0. 46 | 0. 55 | 0. 08 | 0. 04 | 0. 01 | 0. 05 | 0. 09 | 0 |
| 31. Please indicate how effective each service (used) was in assisting you: Have a Mentor                         | 1     | 0. 02 | 0. 23 | 0. 05 | 0. 06 | 0. 22 | 0. 17 | 0. 1  | 0. 06 | 0. 04 | 0. 02 | 0. 07 | 0. 22 | 0. 23 | 0. 12 | 0. 19 | 0. 27 | 0. 32 | 0. 39 | 0. 36 | 0. 32 | 0. 28 | 0. 34 | 0. 33 | 0. 21 | 0. 32 | 0. 02 | 0. 27 | 0. 01 | 0. 25 | 0. 18 | 0 |

|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|----|---|
| 32. The BLSS Support I received meant that I managed to: i. Form legal entity (Limited Company)         | 0.02 | 1    | 0.42 | 0.61 | 0.47 | 0.28 | 0.25 | 0.5  | 0.43 | 0.38 | 0.44 | 0.5  | 0.33 | 0.35 | 0.25 | 0.28 | 0.2  | 0.55 | 0.49 | 0.45 | 0.27 | 0.32 | 0.23 | 0.13 | 0.12 | 0.08 | 0.14 | 0.2  | 0.18 | 0.01 | 0    | 0  |   |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | -    |      |    |   |
| 33. The BLSS Support I received meant that I managed to: ii. Prepare a business plan                    | 0.23 | 42   | 1    | 0.47 | 0.49 | 0.3  | 0.31 | 0.39 | 0.3  | 0.33 | 0.34 | 0.42 | 0.42 | 0.54 | 0.2  | 0.56 | 0.55 | 0.49 | 0.45 | 0.42 | 0.53 | 0.4  | 0.38 | 0.43 | 0.31 | 0.47 | 0.19 | 0.27 | 0.1  | 0.2  | 15   | 0  |   |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      | -    |      |    |   |
| 34. The BLSS Support I received meant that I managed to: iii. Save money to invest                      | 0.05 | 61   | 0.47 | 1    | 0.83 | 0.55 | 0.54 | 0.59 | 0.55 | 0.66 | 0.73 | 0.72 | 0.44 | 0.49 | 0.25 | 0.43 | 0.47 | 0.56 | 0.28 | 0.6  | 0.36 | 0.4  | 0.22 | 0.23 | 0.23 | 0.24 | 0.2  | 0.0  | 0.0  | 0.02 | 0.18 | 25 | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 35. The BLSS Support I received meant that I managed to: iv. Invest own money                           | 0.06 | 47   | 0.49 | 0.83 | 1    | 0.57 | 0.52 | 0.55 | 0.5  | 0.65 | 0.66 | 0.67 | 0.47 | 0.63 | 0.22 | 0.48 | 0.48 | 0.55 | 0.23 | 0.56 | 0.42 | 0.34 | 0.24 | 0.24 | 0.23 | 0.19 | 0.22 | 0.23 | 0.22 | 0.05 | 13   | 2  | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 36. The BLSS Support I received meant that I managed to: v. Ask or Apply for funding                    | 0.22 | 28   | 3    | 0.55 | 0.57 | 1    | 0.89 | 0.46 | 0.49 | 0.59 | 0.49 | 0.52 | 0.52 | 0.52 | 0.08 | 0.41 | 0.38 | 0.44 | 0.36 | 0.65 | 0.34 | 0.24 | 0.24 | 0.25 | 0.25 | 0.25 | 0.26 | 0.4  | 0.0  | 0.16 | 12   | 0  | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 37. The BLSS Support I received meant that I managed to: vi. Get financial support                      | 0.17 | 25   | 31   | 0.54 | 0.52 | 0.89 | 1    | 0.44 | 0.5  | 0.6  | 0.53 | 0.46 | 0.5  | 0.46 | 0.07 | 0.36 | 0.35 | 0.37 | 0.37 | 0.68 | 0.33 | 0.28 | 0.24 | 0.24 | 0.27 | 0.28 | 0.23 | 0.37 | 0.16 | 0.16 | 12   | 0  | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 38. The BLSS Support I received meant that I managed to: vii. Organise team (Partnerships and Networks) | 0.1  | 5    | 0.39 | 0.59 | 0.55 | 0.46 | 0.44 | 1    | 0.66 | 0.64 | 0.62 | 0.51 | 0.53 | 0.6  | 0.19 | 0.31 | 0.34 | 0.41 | 0.22 | 0.47 | 0.42 | 0.42 | 0.23 | 0.25 | 0.26 | 0.24 | 0.23 | 0.31 | 0.08 | 0    | 0    | 0  |   |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 39. The BLSS Support I received meant that I managed to: viii. Hire employees                           | -    | 0.06 | 43   | 0.3  | 0.55 | 0.5  | 0.49 | 0.5  | 0.66 | 1    | 0.78 | 0.72 | 0.54 | 0.45 | 0.55 | 0.09 | 0.25 | 0.24 | 0.28 | 0.04 | 0.43 | 0.28 | 0.3  | 0.19 | 0.21 | 0.23 | 0.1  | 0.31 | 0.13 | 0.06 | 24   | 05 | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 40. The BLSS Support I received meant that I managed to: ix. Buy or rent facilities / equipment         | 0.04 | 38   | 33   | 0.66 | 0.65 | 0.59 | 0.6  | 0.64 | 0.78 | 1    | 0.88 | 0.64 | 0.61 | 0.56 | 0.08 | 0.24 | 0.29 | 0.34 | 0.07 | 0.56 | 0.29 | 0.29 | 0.13 | 0.16 | 0.13 | 0.05 | 0.33 | 0.23 | 0.12 | 0.28 | 15   | 0  | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |
| 41. The BLSS Support I received meant that I managed to: x. Look for facilities / premises              | 0.02 | 44   | 34   | 0.73 | 0.66 | 0.49 | 0.53 | 0.62 | 0.72 | 0.88 | 1    | 0.73 | 0.5  | 0.51 | 0.18 | 0.21 | 0.28 | 0.34 | 0.08 | 0.5  | 0.31 | 0.35 | 0.13 | 0.17 | 0.17 | 0.06 | 0.32 | 0.18 | 0.03 | 0.28 | 28   | 0  | 0 |
|   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |    |   |



|   |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |   |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---|
| 42. The BLSS Support I received meant that I managed to: xi. Develop models, prototype, catalogue, website etc  | 0. 07 | 0. 5  | 0. 42 | 0. 72 | 0. 67 | 0. 52 | 0. 46 | 0. 51 | 0. 54 | 0. 64 | 0. 73 | 0. 1  | 0. 55 | 0. 53 | 0. 33 | 0. 41 | 0. 53 | 0. 57 | 0. 35 | 0. 52 | 0. 46 | 0. 43 | 0. 29 | 0. 29 | 0. 31 | 0. 3  | 0. 35 | 0. 1  | 0. 01 | 0. 17 | 0. 25 | 0 |
| 43. The BLSS Support I received meant that I managed to: xii. Work full time at new business  | 0. 22 | 0. 33 | 0. 42 | 0. 44 | 0. 47 | 0. 52 | 0. 5  | 0. 53 | 0. 45 | 0. 61 | 0. 5  | 0. 55 | 0. 1  | 0. 56 | 0. 11 | 0. 33 | 0. 33 | 0. 35 | 0. 37 | 0. 46 | 0. 47 | 0. 36 | 0. 4  | 0. 43 | 0. 41 | 0. 37 | 0. 31 | 0. 14 | 0. 03 | 0. 23 | 0. 17 | 0 |
| 44. The BLSS Support I received meant that I managed to: xiii. Register business and licences   | 0. 23 | 0. 35 | 0. 54 | 0. 49 | 0. 63 | 0. 52 | 0. 46 | 0. 6  | 0. 55 | 0. 56 | 0. 51 | 0. 53 | 0. 56 | 0. 1  | 0. 15 | 0. 57 | 0. 55 | 0. 57 | 0. 31 | 0. 52 | 0. 49 | 0. 3  | 0. 37 | 0. 37 | 0. 34 | 0. 36 | 0. 23 | 0. 28 | 0. 18 | 0. 25 | 0. 18 | 0 |
| 45. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Helped me to decide not to start a business | 0. 12 | 0. 25 | 0. 2  | 0. 25 | 0. 22 | 0. 08 | 0. 07 | 0. 19 | 0. 09 | 0. 08 | 0. 18 | 0. 33 | 0. 11 | 0. 15 | 0. 1  | 0. 25 | 0. 3  | 0. 33 | 0. 15 | 0. 24 | 0. 2  | 0. 29 | 0. 14 | 0. 18 | 0. 18 | 0. 21 | 0. 11 | 0. 1  | 0. 02 | 0. 18 | 0. 01 | 0 |
| 46. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Assisted in starting a business             | 0. 19 | 0. 28 | 0. 56 | 0. 43 | 0. 48 | 0. 41 | 0. 36 | 0. 31 | 0. 25 | 0. 24 | 0. 21 | 0. 41 | 0. 33 | 0. 57 | 0. 25 | 0. 1  | 0. 74 | 0. 7  | 0. 6  | 0. 52 | 0. 55 | 0. 37 | 0. 57 | 0. 57 | 0. 53 | 0. 66 | 0. 16 | 0. 2  | 0. 02 | 0. 04 | 0. 06 | 0 |
| 47. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Identification of business issues           | 0. 27 | 0. 2  | 0. 55 | 0. 47 | 0. 48 | 0. 38 | 0. 35 | 0. 34 | 0. 24 | 0. 29 | 0. 28 | 0. 53 | 0. 33 | 0. 55 | 0. 3  | 0. 74 | 0. 1  | 0. 84 | 0. 7  | 0. 58 | 0. 63 | 0. 47 | 0. 61 | 0. 63 | 0. 59 | 0. 69 | 0. 1  | 0. 23 | 0. 04 | 0. 15 | 0. 11 | 0 |
| 48. Please indicate how useful the services you received (website, training, advisor) were in assisting you in starting or growing your business: Develop business idea                       | 0. 32 | 0. 2  | 0. 49 | 0. 56 | 0. 55 | 0. 44 | 0. 37 | 0. 41 | 0. 28 | 0. 34 | 0. 34 | 0. 57 | 0. 35 | 0. 57 | 0. 33 | 0. 7  | 0. 84 | 0. 1  | 0. 61 | 0. 63 | 0. 64 | 0. 51 | 0. 59 | 0. 6  | 0. 56 | 0. 64 | 0. 06 | 0. 17 | 0. 01 | 0. 12 | 0. 13 | 0 |





|   |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |      |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| 55. Please indicate the overall value of the support you received from Business Link Start-up Service: Timeliness of the information. | 0. 21 | 0. 08 | 0. 31 | 0. 23 | 0. 19 | 0. 25 | 0. 28 | 0. 26 | 0. 23 | 0. 13 | 0. 17 | 0. 31 | 0. 41 | 0. 34 | 0. 18 | 0. 53 | 0. 59 | 0. 56 | 0. 66 | 0. 47 | 0. 68 | 0. 66 | 0. 85 | 0. 83 | 0. 86 | 0. 14 | 0. 05 | 0. 03 | 0. 01 | 0. 12 | 0. 0 |
| 56. Please indicate the overall value of the support you received from Business Link Start-up Service: Rate your overall experience   | 0. 32 | 0. 14 | 0. 47 | 0. 24 | 0. 22 | 0. 25 | 0. 27 | 0. 24 | 0. 1  | 0. 05 | 0. 06 | 0. 3  | 0. 37 | 0. 36 | 0. 21 | 0. 66 | 0. 69 | 0. 64 | 0. 78 | 0. 48 | 0. 65 | 0. 52 | 0. 83 | 0. 83 | 0. 86 | 0. 05 | 0. 1  | 0. 04 | 0. 03 | 0. 02 | 0. 0 |
| 61. Did you utilise any other business support resources or programmes?: Train to Gain  | 0. 02 | 0. 2  | 0. 19 | 0. 2  | 0. 23 | 0. 26 | 0. 23 | 0. 23 | 0. 31 | 0. 33 | 0. 32 | 0. 35 | 0. 31 | 0. 23 | 0. 11 | 0. 16 | 0. 1  | 0. 06 | 0. 12 | 0. 15 | 0. 22 | 0. 22 | 0. 07 | 0. 06 | 0. 14 | 0. 05 | 0. 23 | 0. 24 | 0. 37 | 0. 4  | 0. 0 |
| 62. Did you utilise any other business support resources or programmes?: Pathways to Business   | 0. 27 | 0. 18 | 0. 27 | 0. 23 | 0. 22 | 0. 4  | 0. 37 | 0. 31 | 0. 13 | 0. 23 | 0. 18 | 0. 1  | 0. 14 | 0. 28 | 0. 1  | 0. 2  | 0. 23 | 0. 17 | 0. 23 | 0. 34 | 0. 06 | 0. 09 | 0. 04 | 0. 06 | 0. 05 | 0. 09 | 0. 23 | 0. 24 | 0. 03 | 0. 03 | 0. 0 |
| 63. Did you utilise any other business support resources or programmes?: Small Business Loans   | 0. 01 | 0. 01 | 0. 1  | 0. 02 | 0. 05 | 0. 17 | 0. 16 | 0. 08 | 0. 06 | 0. 12 | 0. 03 | 0. 01 | 0. 03 | 0. 18 | 0. 02 | 0. 02 | 0. 04 | 0. 01 | 0. 02 | 0. 1  | 0. 02 | 0. 08 | 0. 0  | 0. 06 | 0. 03 | 0. 04 | 0. 24 | 0. 24 | 0. 02 | 0. 02 | 0. 0 |
| 64. Did you utilise any other business support resources or programmes?: Export Training  | 0. 25 | 0. 07 | 0. 2  | 0. 18 | 0. 13 | 0. 16 | 0. 16 | 0. 08 | 0. 24 | 0. 28 | 0. 28 | 0. 17 | 0. 23 | 0. 25 | 0. 18 | 0. 04 | 0. 15 | 0. 12 | 0. 18 | 0. 17 | 0. 2  | 0. 2  | 0. 14 | 0. 15 | 0. 1  | 0. 03 | 0. 37 | 0. 02 | 0. 1  | 0. 1  | 0. 0 |
| 65. Did you utilise any other business support resources or programmes?: High Growth Support  | 0. 18 | 0. 0  | 0. 15 | 0. 25 | 0. 2  | 0. 12 | 0. 12 | 0. 0  | 0. 05 | 0. 15 | 0. 28 | 0. 25 | 0. 17 | 0. 18 | 0. 01 | 0. 06 | 0. 11 | 0. 13 | 0. 13 | 0. 12 | 0. 15 | 0. 15 | 0. 1  | 0. 11 | 0. 12 | 0. 02 | 0. 4  | 0. 03 | 0. 02 | 0. 1  | 0. 0 |
| 66. Did you utilise any other business support resources or programmes?: Business Incubation  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0  | 0. 0 |
| 68. At what stage of starting a business are you now (today) ?  | 0. 09 | 0. 09 | 0. 05 | 0. 09 | 0. 04 | 0. 07 | 0. 08 | 0. 04 | 0. 02 | 0. 07 | 0. 03 | 0. 03 | 0. 21 | 0. 07 | 0. 19 | 0. 02 | 0. 03 | 0. 12 | 0. 05 | 0. 06 | 0. 02 | 0. 05 | 0. 0  | 0. 0  | 0. 12 | 0. 08 | 0. 11 | 0. 13 | 0. 03 | 0. 03 | 0. 0 |

|  |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 69. Have you started a new business since getting start-up support?              | 0. 19 | 0. 09 | 0. 36 | 0. 27 | 0. 09 | 0. 22 | 0. 21 | 0. 01 | 0. 08 | 0. 16 | 0. 07 | 0. 21 | 0. 09 | 0. 08 | 0. 26 | 0. 37 | 0. 00 | 0. 36 | 0. 18 | 0. 14 | 0. 26 | 0. 15 | 0. 22 | 0. 11 | 0. 17 | 0. 18 | 0. 21 | 0. 03 | 0. 27 | 0. 19 | 0. 02 | 0. 13 | 0. 09 | 0. 00 |
| 72. If no, when do you plan to start?  | 0. 03 | 0. 18 | 0. 04 | 0. 17 | 0. 29 | 0. 04 | 0. 23 | 0. 00 | 0. 01 | 0. 07 | 0. 21 | 0. 09 | 0. 04 | 0. 16 | 0. 07 | 0. 35 | 0. 23 | 0. 00 | 0. 00 | 0. 00 | 0. 31 | 0. 29 | 0. 26 | 0. 28 | 0. 19 | 0. 27 | 0. 13 | 0. 19 | 0. 00 | 0. 16 | 0. 00 | 0. 00 | 0. 00 |       |
| 73. Which of these organisations supported you?                                  | 0. 33 | 0. 36 | 0. 27 | 0. 22 | 0. 35 | 0. 56 | 0. 35 | 0. 69 | 0. 22 | 0. 22 | 0. 22 | 0. 22 | 0. 09 | 0. 04 | 0. 53 | 0. 14 | 0. 15 | 0. 53 | 0. 00 | 0. 12 | 0. 58 | 0. 15 | 0. 27 | 0. 33 | 0. 45 | 0. 45 | 0. 45 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 |       |
| 75. How many years work experience do you have?                                  | 0. 01 | 0. 16 | 0. 04 | 0. 19 | 0. 15 | 0. 02 | 0. 19 | 0. 02 | 0. 16 | 0. 21 | 0. 26 | 0. 19 | 0. 05 | 0. 15 | 0. 16 | 0. 03 | 0. 18 | 0. 00 | 0. 00 | 0. 00 | 0. 12 | 0. 19 | 0. 08 | 0. 07 | 0. 08 | 0. 11 | 0. 05 | 0. 03 | 0. 07 | 0. 03 | 0. 05 | 0. 14 | 0. 11 | 0. 00 |
| 76. What is the highest level of education you have attained?                    | 0. 16 | 0. 03 | 0. 08 | 0. 18 | 0. 07 | 0. 05 | 0. 01 | 0. 05 | 0. 07 | 0. 11 | 0. 13 | 0. 16 | 0. 08 | 0. 06 | 0. 07 | 0. 02 | 0. 06 | 0. 13 | 0. 00 | 0. 00 | 0. 00 | 0. 07 | 0. 08 | 0. 05 | 0. 05 | 0. 03 | 0. 12 | 0. 01 | 0. 06 | 0. 04 | 0. 01 | 0. 06 | 0. 11 | 0. 00 |
| 77. Gender   | 0. 04 | 0. 23 | 0. 03 | 0. 32 | 0. 24 | 0. 19 | 0. 19 | 0. 05 | 0. 16 | 0. 03 | 0. 21 | 0. 31 | 0. 13 | 0. 05 | 0. 09 | 0. 05 | 0. 11 | 0. 07 | 0. 00 | 0. 00 | 0. 00 | 0. 14 | 0. 04 | 0. 03 | 0. 07 | 0. 09 | 0. 07 | 0. 14 | 0. 01 | 0. 14 | 0. 01 | 0. 14 | 0. 01 | 0. 00 |
| 78. Age  | 0. 04 | 0. 07 | 0. 06 | 0. 13 | 0. 06 | 0. 23 | 0. 02 | 0. 09 | 0. 01 | 0. 17 | 0. 13 | 0. 16 | 0. 13 | 0. 18 | 0. 05 | 0. 03 | 0. 11 | 0. 01 | 0. 00 | 0. 00 | 0. 11 | 0. 15 | 0. 06 | 0. 03 | 0. 05 | 0. 00 | 0. 06 | 0. 05 | 0. 15 | 0. 23 | 0. 19 | 0. 18 | 0. 07 | 0. 00 |
| 79. How would you describe yourself?   | 0. 16 | 0. 01 | 0. 02 | 0. 02 | 0. 00 | 0. 02 | 0. 23 | 0. 04 | 0. 09 | 0. 03 | 0. 09 | 0. 05 | 0. 18 | 0. 16 | 0. 15 | 0. 14 | 0. 13 | 0. 14 | 0. 00 | 0. 00 | 0. 15 | 0. 27 | 0. 15 | 0. 01 | 0. 08 | 0. 12 | 0. 17 | 0. 06 | 0. 00 | 0. 06 | 0. 08 | 0. 03 | 0. 01 | 0. 00 |
| 80. If you are in business, what does your business do? (Please circle only one) | 0. 19 | 0. 15 | 0. 04 | 0. 06 | 0. 02 | 0. 15 | 0. 08 | 0. 05 | 0. 00 | 0. 13 | 0. 08 | 0. 07 | 0. 05 | 0. 13 | 0. 22 | 0. 16 | 0. 22 | 0. 05 | 0. 23 | 0. 31 | 0. 07 | 0. 12 | 0. 06 | 0. 07 | 0. 12 | 0. 06 | 0. 07 | 0. 01 | 0. 07 | 0. 17 | 0. 12 | 0. 08 | 0. 13 | 0. 00 |



## **A.20. EMB Delivers Support to Over 100,000 East Midlands Businesses and Entrepreneurs**

In the last year, the regional Business Link service enabled over 100,000 businesses and entrepreneurs to receive the help they needed to start, survive and grow, according to figures released from the East Midlands Development Agency (*emda*).

Figures for the year 2009/10 show that Business Link services have been provided to 80,254 established businesses and to a further 21,670 entrepreneurs who were thinking of starting a business across the East Midlands. This is an increase of over 24% in the number of customers supported in the previous year.

The regional Business Link service, which is funded by *emda*, and delivered by EMB Ltd, has developed rapidly during the past three years. More than 240 people are employed to deliver the Business Link service across the East Midlands, with 80% of these having front line delivery roles - directly working with customers, helping people to start a business or supporting existing businesses to be competitive and grow.

Despite the significant increase in the number of businesses and entrepreneurs supported by Business Link, the percentage of customers expressing satisfaction with the service has remained just above 90%, according to an independent survey. Only 2.6% of customers expressed dissatisfaction with the service, the best performance since *emda* took over the direction of the Business Link service.

Stephen Smith, Chief Executive of EMB Ltd, the organisation responsible for delivering the regional Business Link service said: "Since the regional Business Link service was launched in 2007, we have supported over two thirds of businesses across the East Midlands, helping them to access the very best information, support and advice from both the private and public sector."

Performance figures for 2009/10 show that in the East Midlands, Business Link has helped 2,310 new businesses to survive through their all important first year of trading. In addition the support that it has provided to businesses has helped to create 5,046 jobs. Its team of advisers have carried out over 17,000 business reviews to help local enterprises increase their competitiveness and ride out the recession and provided information, support and access to in-depth assistance for over 5,500 businesses.

Mike Carr, *emda*'s Executive Director of Business Services, said: "The performance figures for 2009/10 demonstrate that we are delivering our promise to increase the number of businesses benefiting from Business Link services. I congratulate the team at EMB on the quality and professionalism of their work, which I know is greatly appreciated by businesses across the region.

"We recognise that the Coalition Government is currently reviewing the way business support is delivered in the future, following the decision to replace the Regional Development Agencies. We are working closely with them to ensure a smooth transition to any new arrangements. During this period, we will continue to deliver the Business Link service and other specialist Solutions for Business products to the high level that customers have come to expect from *emda* funded programmes."

Andy Bray, Commercial Director of The Spiderlift Company based in North Derbyshire says that Business Link's help has been invaluable in the current economic climate. "My Business Link adviser was able to help me to explore new markets and identify ways to help the

business become more competitive. The result is that the business is now in a much stronger position to survive and thrive."

Jeeva Sanmugam - Managing Director of Northamptonshire-based Classic Cuisine adds: "We are lucky to have such a joined up regional service that is delivered locally. I know I can pick up the phone and either speak to someone or arrange to meet an adviser face to face. Being able to discuss my business issues with someone who understands the business and my local area is something I really appreciate as a small company."

Mike Carr concludes: "Over the past 12 months, the Business Link service has supported record numbers of businesses, helping to create new businesses and jobs in the region and assisting established businesses. As the economy begins to emerge from recession, support for business will continue to be vital and we will make every effort to ensure we provide the best possible service to our customers."

"The new businesses and jobs that are created by Business Link are vital to the future of the region's economy. The Business Link service is still very much open for business during this transition period."

Business Link East Midlands provides businesses with access to information, advice and wider business support available from both the public and private sectors, to help start, maintain and grow a business.

The Business Link service across the East Midlands region is delivered by EMB Ltd under contract to the East Midlands Development Agency (*emda*).

For more information about how Business Link services can help to start, maintain or grow businesses, visit [www.businesslink.gov.uk/eastmidlands](http://www.businesslink.gov.uk/eastmidlands), or telephone 0845 058 6644.

## END NOTES

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<sup>i</sup> The EQUAL was part of the European Employment Strategy and the Social inclusion process aimed at promoting a better model for working life by fighting discrimination and exclusion on the basis of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Funded through the European Social Fund (ESF), EQUAL was implemented in the UK up to 2008

<sup>ii</sup> COPIE is a European platform focused on the history of policy development, knowledge resources and sharing networks on Inclusive Entrepreneurship, Local development and Social Entrepreneurship

<sup>iii</sup> East Midlands Business <http://www.eastmidlandsbusiness.co.uk/news/news-release-july-2010.aspx>: Accessed 09 March 2011

<sup>iv</sup> Pathways and Sir Thomas White were providers of start-up grant finance in Northamptonshire and Leicester respectively.