

**Getting started in business –
what women say they need**

**Client Survey
Women's Business Development Agency
2003**

by
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Contents

1	WBDA client survey results	1
1.1	Introduction	1
1.2	Demographics	2
1.3	Main findings	5

Tables

Table 1-1	Survey responses	1
Table 1-2	Survey sample and population by postcode	2
Table 1-3	Survey sample and population by age group.....	3
Table 1-4	Survey sample and population by ethnicity.....	4
Table 1-5	Survey sample and population by disability	4
Table 1-6	Survey sample businesses by sector.....	5
Table 1-7	Why women had not started up in business	6
Table 1-8	The single most important factor.....	8
Table 1-9	Who approached for financial support in the past.....	8
Table 1-10	What women were asking for (grant/loan/overdraft)	8
Table 1-11	Level of funding sought.....	9
Table 1-12	Who provided the finance needed	9
Table 1-13	Reasons for not seeking finance to get started.....	10

Figures

Figure 1-1	Age group of survey sample clients.....	3
Figure 1-2	Age group of WBDA database clients.....	4
Figure 1-3	Perceived importance of different support and services	6
Figure 1-4	Levels of interest in key features of the scheme.....	11
Figure 1-5	Levels of interest in group services	12

1 WBDA client survey results

1.1 Introduction

- The telephone survey of WBDA clients was based on contact details of over 400 women who had used the Agency (for information, advice or other support) between May 1999 and February 2003. We originally aimed to complete 100 interviews, each lasting an average of 10 minutes. As the table below shows, we eventually managed to achieve 82 interviews, representing almost 30% of all the *contactable* female clients listed in the WBDA database of registered users. It can be seen that 30% of all clients on the database could not be contacted because their telephone numbers were incorrect. This meant that the *effective* client population from which to draw our sample was reduced to 284, of whom only a third actually refused to participate. Of these 'refusals', just under half had gone into employment or further education of some sort and so did not see the relevance of the survey to them at that time. Overall, therefore, we achieved a fairly high response rate, yielding a sample that was reasonably representative of the WBDA client group as a whole (as the analysis below shows). On this basis, we are confident that these findings are a fair reflection of the views of women who have used the WBDA service over the last three years.

Table 1-1 Survey responses

		N=401	N=284
Completed questionnaires	82	20%	29%
Call backs: No reply x 10 Answer machine x 26 Not in x 6	42		
Refusals: Refused (in employment, gone to college, ill) x 46 Refused (not interested) x 52 Emigrated x 1 Moving x 1 Duplicate business (already said yes) x 1 Other x 1	102	25%	36%
Wrong number: Wrong number x 27 Number not available/not recognised x 82 Fax line x 3 Men x 5	117	29%	
Tried 3 times: Various (left a message, line busy, answer machine) x 19 No answer x 12 Line busy x 3 Answer machine x 24	58	14%	20%
Total	401		

1.2 Demographics

- Just over one-third (35%) of the women interviewed lived in the CV6, CV5 and CV2 areas of Coventry (see table 1-2 below). This compares with 39% in the client group as a whole. Rugby-based clients (CV23) are somewhat over-represented in our sample (8.5%) compared with the WBDA database population (3%), but the next two groups (in CV3 and CV1) account for about the same proportion of people in both the sample and the client population overall (at around 16%).

Table 1-2 Survey sample and population by postcode

	Respondents in survey		WBDA database	
	No.	%	No.	%
CV6	11	13.4	80	20.0
CV5	10	12.2	37	9.2
CV2	8	9.8	39	9.7
CV23	7	8.5	12	3.0
CV3	7	8.5	46	11.5
CV1	6	7.3	22	5.5
CV10	5	6.1	9	2.2
CV32	4	4.9	10	2.5
CV7	4	4.9	10	2.5
CV11	3	3.7	17	4.2
CV12	2	2.4	10	2.5
CV22	2	2.4	14	3.5
CV4	2	2.4	12	3.0
CV8	2	2.4	7	1.7
CV9	2	2.4	4	1.0
B49	1	1.2	1	0.2
B74	1	1.2	1	0.2
CV21	1	1.2	11	2.7
CV34	1	1.2	3	0.7
CV35	1	1.2	3	0.7
LE10	1	1.2	1	0.2
LE17	1	1.2	2	0.5
B15			1	0.2
B18			1	0.2
B31			1	0.2
B45			1	0.2
B69			1	0.2
B80			1	0.2
CV13			1	0.2
CV31			2	0.5
CV33			2	0.5
CV37			3	0.7
CV47			1	0.2
WS13 7BH			1	0.2
Missing			34	8.5
Total	82	100	401	100

- Age profiles are also very close, as the table and figures below illustrate. The largest single group in both the sample (41%) and population (42%) is to be found in the 31-40 age band. Indeed, a clear majority of WBDA clients are over 30 (more than 80%).

Table 1-3 Survey sample and population by age group

	Respondents in survey		WBDA database	
	No.	%	No.	%
Under 30	11	13	64	16
31-40	34	41	168	42
41-50	19	23	81	20
50+	9	11	58	14
Missing	9	11	30	7
Total	82	99	401	99

Figure 1-1 Age group of survey sample clients

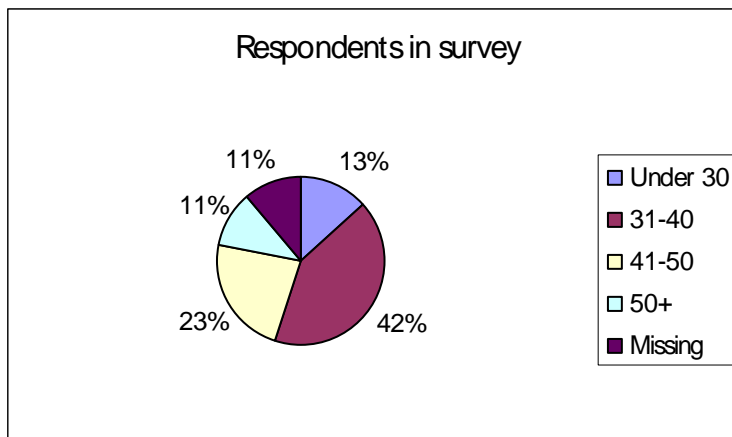
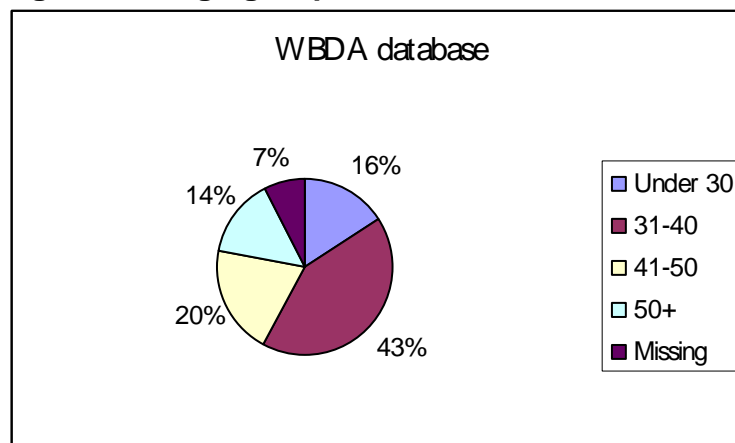


Figure 1-2 Age group of WBDA database clients

- If anything, our sample has slightly over-represented women from minority ethnic group backgrounds (69.5% classified as 'White' in the sample compared with 73.5% in the client population).

Table 1-4 Survey sample and population by ethnicity

	Respondents in survey		WBDA database	
	No.	%	No.	%
African	1	1.2	2	0.5
African Caribbean	8	9.8	26	6.5
Asian	15	18.3	66	16.5
Asian/Asian British - Indian			2	0.5
Asian/Asian British - Pakistani			1	0.2
Black/Black British-Caribbean			1	0.2
Black/French			1	0.2
European White	57	69.5	292	72.8
Mexican			1	0.2
Mixed Race	1	1.2	2	0.5
White British			3	0.7
Other			3	0.7
Missing			1	0.2
Total	82	100	401	100

- We also note that 4% of the sample had a disability of some sort, which is slightly less than the wider client group (6%), as the table below shows.

Table 1-5 Survey sample and population by disability

	Respondents in survey	Total WBDA database
No	79	377
Yes	3	24
Total	82	401

- All in all, these comparisons confirm our view that the survey sample matches the population from which it was drawn very closely in terms of

key demographic indicators. This boosts our confidence in the reliability of the findings we report in the following section.

1.3 Main findings

- We designed the survey instrument to elicit a range of facts and opinions about the business experiences of WBDA clients. There was a particularly strong focus on women's experiences of various barriers to starting up and surviving in business – be they personal, domestic, financial or institutional. We also wanted to 'market test' a series of propositions about alternative ways of financing and supporting women in business – ways that draw on the collective practice of female entrepreneurs in the Third World more than in the so-called 'First'. The questionnaire therefore probed for information about:
 - women's current business/self-employment activities
 - perceived barriers to getting started in business
 - the experience of trying to raise finance
 - the usefulness of access to small amounts of start-up cash
 - levels of interest in joining a particular kind of small loans scheme
 - levels of interest in accessing a range of (non-financial) group services
- Of those interviewed, just over half (51%) said they were currently self-employed or running a business. As the table below shows, most of these were operating in service sector industries of one sort or another. The largest single group (16) were in retail, followed by training (8) and, interestingly, design (7). A small but not insignificant number were in manufacturing, including food and clothing.

Table 1-6 Survey sample businesses by sector

Classification	No.
Retail	16
Training and teaching	8
Design (e.g. interior design, clothes, websites)	7
Personal services (e.g. beauticians)	5
Manufacturing (clothes, food)	4
Horticulture	3
Business services	3
Artists	2
Total (includes businesses classified to more than one sector)	48

- Only a minority (31%) employed other people besides the owner and could therefore be classed as more than one-person operations. But between them they employed 40 people (though mostly part-time). If we include the owners, this group of businesses employed 69 people full- and part-time.
- We asked those who were *not* in business at the time of the interview (40) whether they had ever got round to starting their own business but had stopped for some reason. Only six had actually started something up and

then ceased trading. Two of these had gone into manufacturing, interestingly enough, with the rest providing services. Two had survived for less than six months, two others had been trading for up to a year, and one survived for several years. The main reasons for these 'failures' were said to be lack of finance and personal or family circumstances. We shall see that these two factors feature prominently as both barriers to and motivators for women setting up in business.

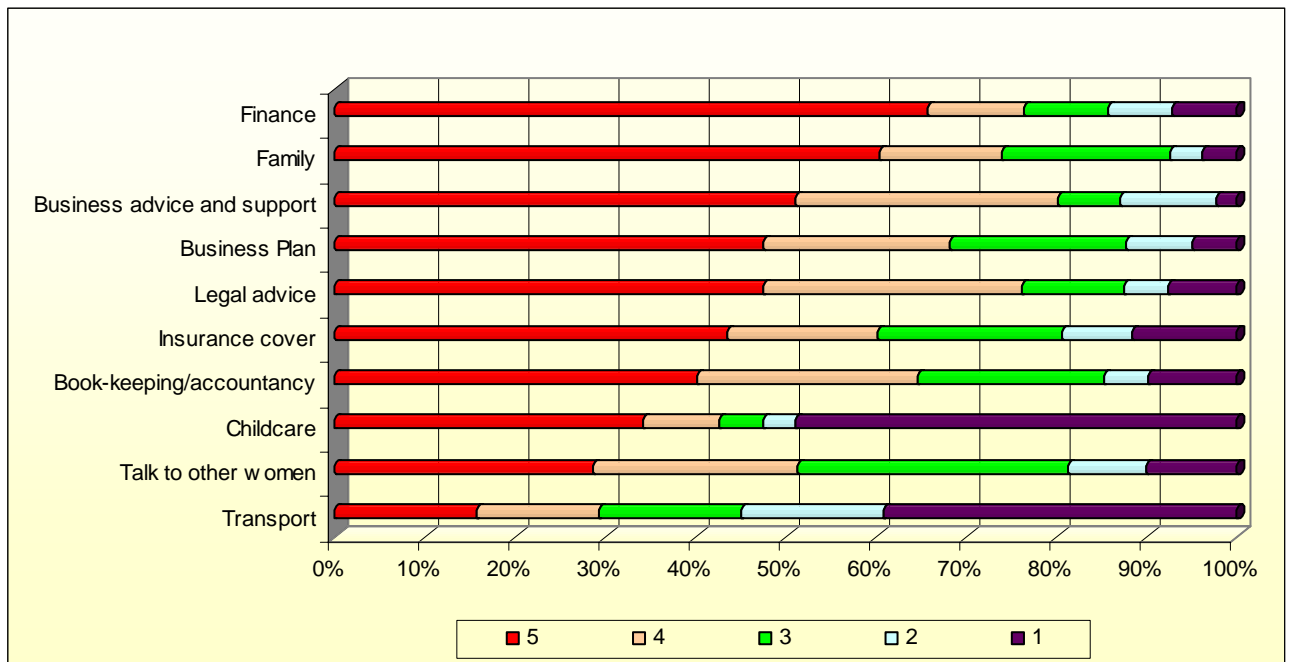
- Amongst the 34 women who had *not* gone into business since their contact with the WBDA, as the table below shows, a large minority (13) said they were actually still in the pre-start stage. But once again, financial and personal circumstances form fairly significant clusters of reasons why some of these women had not gone into business for themselves.

Table 1-7 Why women had not started up in business

Reasons	No.
Still in pre-start	13
Financial	6
Personal/family circumstances	6
Job	4
Timing	2
Other:	3
Time	
Not viable	
Not really in business	
Total	34

- We then asked every respondent to comment on the sorts of barriers that women in particular face when trying to get started in business. The figure below summarises their responses. We asked people to use a five point scale to indicate how important they thought each of a series of pre-selected 'barriers' were in their experience (where 1 = 'Not important at all' and 5 = 'Extremely important'). It is very clear from the results that having access to the necessary finance to get started is seen as extremely important by a majority of respondents (about 65%). But encouragement and support from family come a very close second (a little under 60%), followed by getting professional business advice and support (50%). Interestingly, at the other end of the scale, having help with childcare, being able to talk to other women in a similar situation, and getting help with transport rank among the *least* important perceived barriers.

Figure 1-3 Perceived importance of different support and services



- Other (unprompted) barriers mentioned by respondents included a noticeable cluster (7) who thought that personal characteristics – such as stamina, self-esteem and confidence – counted for a great deal when thinking about getting started in business. Another small group (6) said they needed more and better market research before embarking down the road to self-employment.
- When prompted to choose the single most important factor from amongst all those mentioned so far, over one-third plumped for financial barriers. But as the table below shows, quite a wide range of other things are seen to get in the way of (or to motivate) successful business start-ups by women, including family support, help with producing a business plan and access to reliable legal and professional business advice. For a smaller number, help with childcare does feature as a significant factor in their experience.

Table 1-8 The single most important factor

	No.	%
Access to finance	30	37
Family support	15	18
Business planning	10	12
Legal advice	5	6
Business advice and support	5	6
Childcare	3	4
Book-keeping and accountancy	2	2
Talk to other women	2	2
Other	10	12
Total	82	99

- Most of the women interviewed (72%) had never tried to raise finance to get a business started. The few who had, had approached a number of different sources for help (see the table below). By far the most popular port of call, not surprisingly, had been the banks (accounting for 54% of all sources mentioned). Family or friends, the Prince's Trust and Business Link each trailed behind with a rather modest 11%.

Table 1-9 Who approached for financial support in the past

	No.	%
Banks	15	54
Family/friends	3	11
Prince's Trust	3	11
Business Link/Chamber	3	11
Arts Council	2	7
New Deal	1	4
WBDA	1	4
Total	28	102

- A majority of those who had sought financial backing (58%) had asked for credit in the form of a loan or overdraft. About a quarter had 'done the rounds' and gone for any kind of funding they could find, as the table below illustrates.

Table 1-10 What women were asking for (grant/loan/overdraft)

	No.	%
Loan/overdraft	15	58
Any funding	6	23
Grant	3	12
Mortgage/remortgage	2	8
Total	26	101

- The amounts of money being sought were, perhaps, surprisingly high. Other research suggests that women tend to need very modest levels of finance to get started (certainly by comparison with men), but just over half of our sample (55%) had been looking for more than £5,000, and 30% had wanted between £2,000 and £5,000 start-up funding.

Table 1-11 Level of funding sought

	No.	%
£5k+	11	55
£2k-£5k	6	30
£1k-£2k	2	10
> £500	1	5
Total	20	100

- Sixty per cent of those who had sought financial backing had succeeded in getting what they wanted, and most of these (57%) had secured more than £5,000. As the following table shows, around two-thirds of those who were successful had gone to the banks for the money. The Prince's Trust also emerges as a significant source of business start-up finance for these women.

Table 1-12 Who provided the finance needed

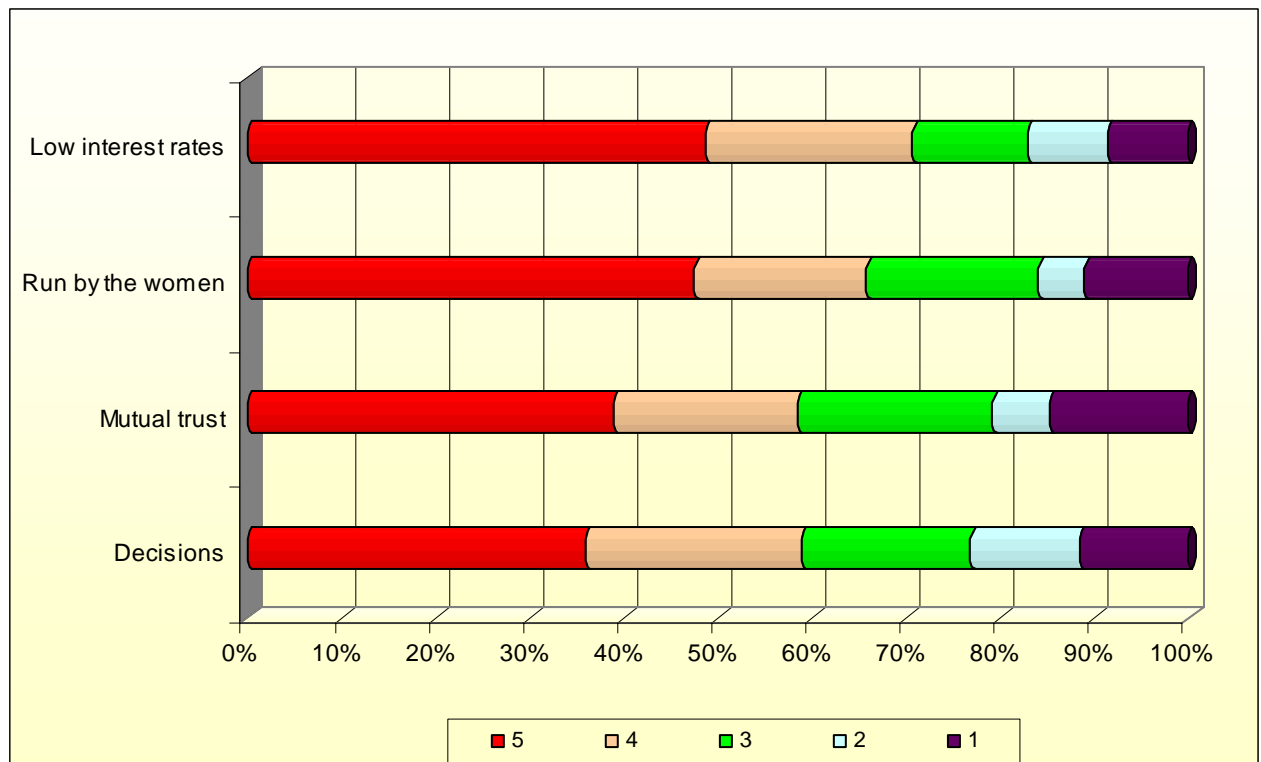
	No.	%
Bank	9	64
Prince's Trust	3	21
Arts Council	1	7
Family	1	7
Total	14	99

- The nine women whose bids for financial support had failed cited a number of different reasons for this. A few had managed to scrape together the very small amounts they had needed from savings or other modest sources of income (including New Deal). Most seem to feel, though, that they were not well enough prepared to make the case for funding at the time.
- We saw earlier that most of those interviewed (over 70%) had never tried to raise finance to back their business idea. We asked whether this was because they had not needed extra finance to get started or whether it had been for some other reason. Table 1-13 suggests that a sizeable minority (46%) did not need any extra cash at the time, so were never prompted to try raising it. The other main reason, given by about a third of this group, was that they had never got started in business anyway.

Table 1-13 Reasons for not seeking finance to get started

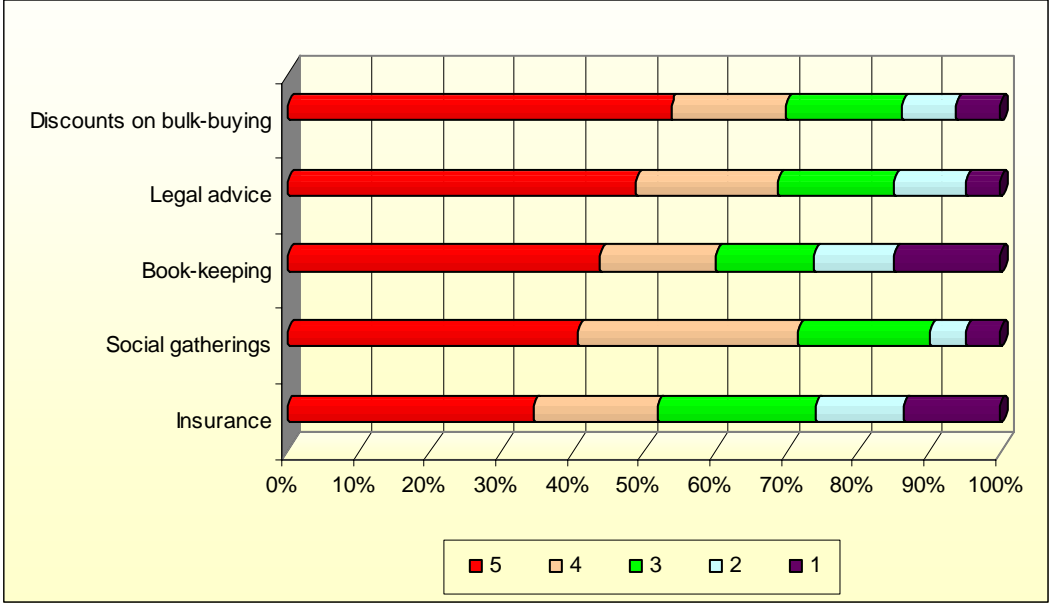
	No.	%
Didn't need it	27	46
Didn't get started	20	34
Own money	8	14
Other	4	7
Total	59	101

- We then asked respondents to look back at their experience of starting a business and reflect on how useful access to small amounts of start-up cash (up to £500) would have been at the time. Seventy percent said such a facility would have been either very or extremely useful to them. And half of this group thought that having the money could have made a difference between success and failure.
- The interview finished with some questions about levels of interest in joining a small loans scheme for business start-ups, based on principles of mutuality. We listed a number of possible features of such a scheme and asked respondents to rank their interest on a five point scale (where 1 = 'Not at all interested' and 5 = 'Extremely interested'). The figure below ranks responses to four suggested features – small loans offered at low interest rates over a maximum of two years; the scheme being run by the women who use it; loans being made on the basis of trust rather than formal references, and decisions about whom to lend to being made by the members themselves.

Figure 1-4 Levels of interest in key features of the scheme

- A 'league table' of preferred features emerges, with low interest rates scoring the highest (70% were very or extremely interested in this), followed by women running the scheme themselves (65%), mutual trust (c.58%) and member decision-making (c.58%). It is worth noting here that none of the features we suggested scored less than in the high 50s relative to very or extremely high levels of interest.
- The final figure below (Figure 1-5) shows the level of interest there might be in other services that could be delivered through such a scheme, from discounts on bulk buying, through legal advice and help with booking-keeping, to social gatherings and insurance. Once again, we see high levels of interest in all such offerings, but with discounted purchasing and legal advice ranking highest. A particularly noteworthy finding here, though, is the level of interest women say they have in social gatherings for business women like themselves to talk, listen and give each other support (achieving the highest combined score on the 'very' and 'extremely interested' scales of over 70%). This spread of interest suggests to us that women who are either established or would-be entrepreneurs value personal support at least as much as financial benefits and opportunities. This confirms a picture of both 'soft' and 'hard' support needs that emerges strongly throughout these survey findings.

Figure 1-5 Levels of interest in group services



- Our very last question asked who would be prepared to join a group of other women business owners to discuss whether such a loan scheme should be introduced locally and how it might be made to work. A large proportion (72%) said they would be willing to join such a discussion if invited to do so (and, of course, available at the time).