



West Sussex Rural Partnership Rural Home Based Business Training Programme

Report on Research
amongst Home-based Businesses
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Note: online questionnaire is included within the text of report

1. BACKGROUND & INTRODUCTION

1.1. Background

The success and growth of home-based businesses (HBBs) is immensely important to the national and local economy – and particularly in rural areas. Horsham District Council is at the forefront in identifying the prevalence and importance of home-based businesses and since 2002 has been very active in its support for SMEs and home-based businesses, most notably through its initiatives under the Microbiz branding.

Because of its understanding of HBBs and experience in working with them to develop their success, Horsham District Council was selected to develop and run a pilot training programme tailored specifically for this sector, with funding obtained by the West Sussex Rural Partnership from the West Sussex Skills and Enterprise Board.

In order to devise training which will help to develop home-based enterprises in rural areas in the most effective way possible, the Council commissioned Abacus Insight to conduct research amongst a sample of these businesses to explore their needs and ideas.

The research was in two parts:

Exploring attitudes – one-to-one depth interviews with HBB owners/directors.

Collecting robust data – online survey sent to proprietors of HBBs in the rural areas of the Horsham District, which was completed by 57 qualifying business owners.

1.2. Depth interviews

Twenty people, all owners or directors of HBBs, were included in the qualitative phase, which was carried out between 25 March and 22 April 2010. They were recruited by telephone from lists provided by the Council, and others obtained by Abacus Insight – at Microbiz 2010, and also from the telephone survey conducted among home-based businesses in October 2008.

Ten people were interviewed in their own homes, and ten by telephone. All interviews were relaxed and free-flowing, although based on an agreed list of topics to be covered. All were audio-recorded, and we were grateful to find that those we approached were very willing to take part, and took a great interest in the discussions. The details of the sample are:

Length of time as HBB

2 years or less	8
3 – 9 years	9
10 years or more	3

Size by number of people

Self only	9
1-2 others involved	8
3-5 employed	0
More than 5 employed	3

Geographic base

Rural	15
Horsham town	5

Business sector

Manufacturing/engineering	2
Business services	10
Consumer services (inc retail)	8

The average interview length was around 45 minutes. The businesses included offered IT support, IT facilities management, IT sales, will writing, online direct sales, sales via

'networking' team, video-DVD transfer, business coaching, electrical work, HR consultancy, training in Health & Safety procedures, graphic design, credit control, import and export, freelance writing, holidays, business development planning, jewellery making.

1.3. Online Survey

The questionnaire link was emailed to 362 businesses who we judged to be home-based and in rural areas, using a variety of databases owned by the Council (and market research firms are permitted by the DPA to act on behalf of their clients in using these). The covering email asked for their co-operation in helping the Council to plan a programme to support the development of home-based businesses in rural areas of the district, made possible by the funding awarded. It also assured participants of their anonymity and gave contact details for the appropriate people at the Council or in the research agency in case recipients had any queries about the project.

Despite two reminders, response was extremely low, but eventually (and after telephoning many of the contacts to encourage their participation) we reached a total of 57 and the results are reported in section 4. Undoubtedly some would have ruled themselves out: because their business was not home-based or not in a rural area of the District, but most presumably were not interested or could not make the time to complete the survey.

The survey questionnaire is included in the Appendix.

2. SUMMARY & CONCLUSIONS

1. Support and training to help business growth will be widely welcomed by the community of home-based businesses (HBBs) in the rural areas of Horsham and the survey results show that it is needed to encourage success and expansion. .
2. Typically HBBs have been set up by people who want to be their own boss, to use their skills to develop a business, to improve their work/life balance – or because they have been made redundant. 40% of those responding to the online survey had previously been employed in an organisation with 50 or more employees, 32% had been made redundant.
3. Most of these businesses have been set up without any structured guidance and support: 30% admit they had none, and most of the remainder say they had ‘general advice’, but usually only from friends and associates. One in three started with technical training relevant to the type of business they were planning.
4. Few of the HBB owners interviewed in the first stage had a formal business plan, and most those who did admitted that they rarely referred to it or updated it. The results of the online survey suggest that this lack of discipline is one of the barriers to business growth. When asked what they consider to be the barriers for growth, one in three cite ‘rising costs’ but other factors are understood to be ‘finding the time to plan for expansion’ (30%) and ‘not understanding the requirements of a growing business’ (23%).
5. Owners of home-based businesses who were interviewed informally made it clear that, in comparison with their time in employment, they appreciate being able to manage their own time, make their own decisions, and enjoy a better work-life balance, with low overheads. These are also the benefits which are most commonly cited by participants in the online survey. Each of these, however, has a down-side: distractions at home, no formal working hours, and a sense of being on their own without in-house teams for IT, legal or financial support, and missing colleagues who could discuss ideas or comment on work matters. It’s lonely being in business from a home base, and many seem to lack the confidence and self-discipline to make their business succeed and to develop it further.
6. When asked how interested they would be to improve their skills in various areas, those of greatest interest were:
 - Selling/winning more business (75%)
 - Marketing/promoting the business generally (68%)
 - Using internet to its full potential for the business (65%)
 - How to develop/grow the business in an organised way (63%)
 - Exhibition skills (56%)
7. The majority feel that they can cope with time management, basic IT functions, managing clients/prospects and basic book-keeping but, even in these areas, between a quarter and a third think they could be helped. For financial management (e.g. accounts, VAT and making tax returns), the norm is to leave it to an expert, as is the case when they need to keep up with changes in legal requirements that might affect them.
8. There is an underlying interest in help with business planning and development, the effective use of technology, and advice on how to network successfully.
9. More than two in every three HBBs report that ‘technology’ is **critical** to the success of their business, and a further 21% that it’s ‘very important’. Core to the operation of all their businesses are broadband and email. The clear majority also rely on mobile devices such as an i-phone or blackberry.

10. Most often the 'modern technology' is used to communicate with clients and suppliers, gathering information to find suppliers, or to make sales. Around half of those surveyed make sales from their own websites and half belong to an internet-based networking group such as LinkedIn or facebook.
11. The majority are aware that they could make greater use of technology in their business, with only two in five considering they already use it to its full potential. Many feel they need to understand more about how to use it, and what can be achieved.
12. Specifically (on technology) the greatest demand is for training on
 - Online networking, e.g. Twitter, blogs, LinkedIn
 - Using key words to get top listings on search engines
 - Keeping up-to-date, e.g. on business opportunities, changing legislation, potential new suppliers, new product developments
13. The way in which the training and support can be delivered most effectively will depend to a great extent on the personal circumstances of the individual business owners. For the group of mothers or fathers who are based from home so that they can combine work with caring for their children, it may not be an option to go out to seminars and classes, whereas others prefer that option, seeing it as an opportunity to meet like-minded people and exchange views. Overall the most popular formats are:
 - Occasional half-day seminars on a set topic relevant to HBBs
 - A helpline to call for relevant advice/information for HBBs
 - Website dedicated to the needs of HBBs for information and support
 - One-to-one meetings at their own premises with an independent coach or mentor to talk about the aims of the business and how to achieve them
 - A directory of HBBs in the Horsham area (to make contact with some of them in order to counteract the feeling of 'being alone'), and/or a directory of groups and networks for the same reason but also, perhaps, to attract new business leads.
14. The difficulty, based on our experience, will be to find the target audience. A comprehensive and up-to-date database is the ideal, but one that is very hard to achieve. The Microbiz database is extensive but includes many organisations that are not themselves HBBs. The lists provided by Business Link categorise businesses by numbers of employees, but are unable to indicate which are home-based. Lists of visitors and exhibitors at the annual Microbiz events are the most helpful, but do not include all who attended. Would it be possible to have a publicity campaign (such as is used to promote the annual Microbiz event) to:
 - inform HBBs of the planned training programme
 - invite those qualified to apply for training or even as a potential training provider
 - include their business in a directory of HBBs to be widely circulated throughout the area?

3. DETAILED RESULTS – DEPTH INTERVIEWS

3.1. Motivation to set up the business

a. Redundancy

“I was in a senior management job in a large corporation, then there was a re-structure” (business coach)

“I was made redundant because there just wasn’t enough work. I was a toolmaker all through the ‘80s but engineering work in Horsham has disappeared so I re-trained as an electrician” (electrician)

Neither of the two quoted above had adapted very successfully to self-employment and were disappointed with their earnings, despite having been in business on their own account for more than five years.

One who had been made redundant commented that he had initially hoped to find other employment but *“nobody wanted a 40-year-old apprentice”* so he had been forced to set up on his own.

A female respondent was laid off unexpectedly when the management consultancy where she worked was restructured. This was a shock after an apparently-successful career developing one arm of the business which the large corporation decided to wind up. The redundancy package included regular contact with a business coach and she was now trying to manage several separate business interests – it must be said with limited success!

b. Change in family circumstances

Two men had left full-time employment to be at home when their wives were ill. In both cases, sadly, the illness was terminal. Thereafter they preferred to work from home rather than to return to ‘corporate life’ – one because he had become increasingly aggravated by the rise in regulation in the financial services industry, and the other because he needed to be at home to care for his young family, and because he enjoyed being out of the rat race and spending his time earning a living from doing something that was previously a hobby.

Two women – a copywriter and a freelance journalist – were working from home in order to combine family commitments with the requirement to earn money:

“I left the job I had in London. I wanted to spend more time working conveniently because I had a young family”

“Probably the classic situation of childcare. I initially cut down my full time hours at work and then it got a bit tricky. So I decided to go self-employed when pregnant with my third child, that was the instigator. I got a lot of work from my former employer initially which was a good start and then took it from there.”

c. Desire to be self-employed

Several of the men included in the research set up their own business simply because they wanted to be their own boss:

“Something I’ve always wanted to do (work for myself). I’m not that good at working for other people. I’m a bit headstrong. I like to control my own life and work. I started out working for various graphic design firms but the ultimate goal was to work for myself.”

"I realised I'd reached a limit within the firm and I wanted to explore other avenues...it's always a worry going from a full time salary where you know you are going to get a fixed amount every month to potentially nothing but if you never do it you'll never know."

"I started with IBM, and then moved to a smaller concern with more of a family feel. We had 1,000 employees but it was a very close, supportive community.... It was bought out by IBM and we were subject to all the old procedures.... I got frustrated so decided to start up a business doing the same thing with a group of former colleagues"

3.2. Benefits and drawbacks of working from home base

Benefits	Drawbacks
Managing your own time Flexible working time <i>"My work can be going on while I'm doing a school run and boiling the brussel sprouts"</i>	Can be hard to motivate yourself Sometimes end up working 18-hour days Days are not filled in the way they are when you're working for a big company Can get very cut off/little business contact
No commuting – not wasting that dead time More environmentally-friendly	No routine to make you start at a particular time
Better work-life balance	Easily distracted by family Million things to do as a Mum
Make your own decisions/ in control	Can be lonely No-one with whom to bounce around ideas <i>"Lose that company environment where you have those water-cooler moments pretty regularly and that camaraderie"</i> <i>"Have to wear 'every hat' – hard to keep up-to-date and still find time to do the paid job"</i>
Services	In rural areas, get power cuts Broadband speeds poor No in-house support for IT, legal matters, finance, marketing. Need to take on everything personally or outsource it, which can eat into potential profit Need to be Jack-of-all-trades
Low overheads	Variable income, often low
Write my own pay cheque	There may not be enough to live on – famine or feast Don't know where next cheque coming from Cashflow problems
Enjoy what you're doing	May not be a market for it, or you may not be good at marketing
Can develop business as you wish	Lack of confidence/knowledge/Business Plan

Implications in terms of support needed:

- Training in time management
- IT training to streamline management of administrative/financial tasks to free them up to 'do the paid job'
- Networking with other home-based businesses in groups or online (e.g. Microbiz blog)
- Improved broadband network in rural areas
- Promotion of 'virtual office' services, e.g. for handling telephone calls, accounts
- Helpline or information on where to get low-cost legal advice

- Training and support in marketing
- Support in business development/writing and sticking to a Business Plan

3.3. Aspirations in terms of growth

Some are currently suffering a decline in business and can't foresee business expansion:

"Over the past year or eighteen months I've probably seen a 50% reduction"

One explained that he wanted to grow the business but lacked work, blaming the economic climate and consequently less people doing up their houses and more putting off non-essential things. He admitted that he didn't know how to go about attracting new business.

An IT expert believed that the market was saturated and that he wouldn't be able to get enough work and was therefore considering other options for a home-based business, possibly related to energy savings (e.g. wind-generated power in people's homes)

Others would like to grow the business but lack the confidence:

"I want it to grow to a certain extent but I know I definitely don't want to grow to a certain size where I have to employ other people. I prefer to keep it so I only have to look after myself. Also I started the business with a business partner and that failing taught me I should really just look after myself."

"I don't really have any plans about growth to be honest. I'm a bit of a flying-by-the-seat-of-my-pants person. I have dipped into that whole networky thing and it really wasn't for me. It may have been with the Business Link and it was all women. It was interesting but very much for those women who want to forge ahead the growth, growth, growth thing which isn't my bag. I'm just not money orientated. It's partly an emotional barrier - I have lost confidence about going out to get business. I don't really know what I want"

One was restricted by his office-in-the-garden premises. Having already encountered planning problems with his current set-up, he felt it would be impossible to extend it to make space for additional staff, yet was averse to moving away from the home-business environment.

Nevertheless several of the people in the research were enthusiastic about expansion, for example:

- running an agency for a credit control company, and planning to take on other compatible agencies to sell other services to the same client base: looking for source of finance to take on a telemarketing agency to make sales appointments for him
- intending to franchise his successful business venture to other areas of the country: aware of his need for advice on the most appropriate business model
- trying to build up a team of agents to work in my network, which would bring her a regular income from commissions, relies on networking to make contacts but the target market is so wide it's hard to indentify where to put in the effort: would value help in preparation of a marketing plan and someone to keep her on course towards targets
- with a team of 11 employees and associates already, keen to double this: not concerned about the logistics of this, as all home-based and working on client sites, but needs to identify cost-effective way of keeping up with legal aspects related to the business, and would welcome training on 'closing the deal' when negotiating for prospective business
- finding motherhood and small amounts of paid work not adequately stimulating and would like to set up a creative business of some sort with a group of like-minded friends, but lacks confidence and needs guidance on the type of business to start

Clearly most of these home-based businesses would shy away from taking on new employees and thereby additional commitments:

"I wouldn't be employing anyone ever. It's just a case of earning enough money."

"If I needed a P.A. I would prefer to sub-contract to different people, like a virtual PA"

These observations again suggest a need for

- Marketing advice
- Guidance on the development of a business plan
- Information on sources of business loans
- Training on alternative models for business expansions

3.4. Current sources of information and advice

"I sense there is a lot out there but anything I've found out has been by chance"

This was a common theme. Several of our respondents operated as follows:

- take on an accountant, probably a friend or someone recommended by a friend
- do their own book-keeping with the accountant doing the annual audit if required
- start by trying to manage every aspect of the business by themselves – marketing, IT, sales and marketing, client service etc
- realise they lacked some or even all of the skills (especially in marketing)
- lose confidence, in some cases, and miss the company of business colleagues
- try to find out how to improve their marketing – the current trend being social networking online
- discover that self-training is very time-consuming and diverts them from more important tasks
- look for sources of support and advice, but not sure *where* to look

Have 'stumbled across' First Friday network (when looking on internet for something else) Free, local, held at lunchtime, a social gathering – will go back to it.

In general people rely on their personal networks for information and advice – friends, former colleagues, and in some cases organised network groups such as BNI;

"Pick the brains of others in my own network and others with small businesses, get a variety of advice and go with what I'm comfortable with"

"Find things out on the net but it takes a huge amount of time – I don't place enough value on my own time"

"It's motivating to be around like-minded business people. My friends are not business-minded, think I'm mad to be self-employed. Good to be with people who are interested to help and support you. I do like putting on my suit sometimes – that's one of the things I miss most about working at home".

"Networking events to a certain extent may be good because it's word of mouth. If you can go to a business breakfast where there are other like minded businesses and a business needs design work doing or does something that I require you can get to know those people on a social level as well as a business level. That may be more beneficial than just looking through the Yellow Pages. I think there are already business networks in place but they charge and obviously it's an unknown quantity you never know if anything is going to come to fruition and you have to be so careful with money now"

Suggested approaches for more effective distribution of information and support for businesses were:

- Publication of a directory of home-based businesses in the Horsham DC area, ideally with some 'charter mark scheme' to indicate their reliability – the problem being how this would reach home-based businesses when there's no comprehensive list of them!
- More detailed information on sources of support to be sent out by Inland Revenue/HMRC when individuals register as self-employed or submit a new company name
- Information about the Council's own programme to support home-based businesses could be enclosed with the rate bills
- Website for small or home-based businesses where they could post their business needs (e.g. Abacus Insight is looking for someone to compile a database) and obtain a response from another similar business

3.5. Training required and how to deliver it

"I pretend I can do everything – the finance, the marketing, the business development. Either I do it and don't have enough time, or don't do it in an effective way, or don't do it at all. I don't like paying people so I need to know where experts are who can do it cost-effectively"

a. Business planning and development

A minority of the people surveyed had a Business Plan, perhaps because it had not occurred to them to create one, or because they didn't know how to go about it or where to get help. Although the relevant topics are already covered at Microbiz events, perhaps a booklet could be prepared and publicised in print and on the HDC/Microbiz website, including contact details of advisors who could provide help and advice.

b. Motivation to stick to it

It can be rewarding to be your own boss but most people running a home-based business are accountable only to themselves. Several of those included in this survey recognised that it would be useful to have targets and to have meetings or a telephone conversation with someone who would check on progress:

"When you know you've got to speak to someone and tell them about it, you know you have to get on and do it"

Some suggested that a business mentor or coach would be ideal – with contact by telephone adequate after an initial face-to-face consultation. One already worked in this way and had invested in a programme where she had a 2-hour telephone conference call monthly with a business coach, with two or three other business people on the line – they discussed targets and whether these had been met and learnt from each other as well as the coach.

c. Use of technology to develop the business

Only a small number of business owners interviewed were making best use of IT. Whereas they knew how to use Microsoft's basic programmes, only a few had organised customer databases, a client contact plan, or accounts on anything more sophisticated than Excel. There is a clear need for updates on how to make best use of the relevant systems. Most suggest they would prefer to use a local supplier who would come to their premises to work out the most appropriate approaches for their specific business.

Social networking online, e.g. through Facebook, Twitter and others, is evidently top-of-mind for many of the home-business owners we talked to: they want to get involved and recognise it's the 'way forward' but are unsure how to go about it. This could be the topic of a seminar in a central location. Those more confident with 'new technology' would be happy if this was delivered through a webinar, with other similar businesses online at the same time.

The home-based businesses in this research have websites but many recognise that they need to learn how to ensure they get maximum exposure and do what they are designed to do. Only the IT experts amongst them were confident that their websites were working hard for their businesses.

"The current trend is for promoting and developing business, getting a presence for the website and on social networking sites. I'm getting into more depth in that, but need help with this, through a relevant agency. It would save me time - want to use them as tools for potential business coming in"

d. Marketing

Businesses are unlikely to expand without putting effort into their marketing. Most of those in the survey are aware that they needed to be more consistent and to target their market in an organised way, but are also reluctant to pay for the necessary expertise. It is needed! For those who are computer-literate, this could be delivered online, but the drawback, they confess, would be that it would be tempting to 'look at it later'. Seminars would be more appropriate - one or more half day sessions would be as much as people with home-based businesses would spare

e. Legal updates

When setting up the business, the majority of these business owners found out only the bare essentials from friends or an accountant, possibly a lawyer. In some cases, however, it was essential for them to keep up with changes in legislation related to their area of work (e.g. advising on Health & Safety policies) and this proved very difficult. It was the same for the few who had several employees who were concerned about changes in employment law that may not have come to their attention. One, who had complex contracts for each work project, felt that it would be particularly useful to have access to an advisory service where the wording of a particular part of it could be sent by email to an expert for comment, or discussed on the phone. Legal helplines are available from a number of sources such as Sussex Enterprise, FSB and Business Link, but it seems they need to be made known more widely.

f. Legal updates

The need could perhaps be met through training in IT, but there may also be a requirement for more education on cashflow management and other topics. There was widespread support for the half-day seminar format, and in some cases this could be delivered through the web.

g. Effective networking face-to-face

Business networks such as BNI seem to be widely-known and those who attend BNI meetings have been very impressed with the results. Some, however, considered BNI inappropriate on the basis of expense along with the pressure to make referrals and to attend weekly meetings: in some cases the early start times were also impossible in view of family commitments. Most are aware that there are many others networks available or being set up, and they want to know what is on offer and which would be most suitable for them. One respondent was setting up her own locally-based network, meeting fortnightly, and had already met with some success.

One respondent had a booklet listing networks in the Horsham area, but none of the others were aware of this publication which would be very helpful for them.

3.6. Training required and how to deliver it

In the next section, we report the results of the online survey. The questionnaire used was developed from the comments made in the depth interviews and clarifies the extent to which a larger representation of home-based businesses share the views of the 20 who were included in the initial phase.

4. DETAILED RESULTS - FACTS & FIGURES

4.1. Reasons for starting the business

Which of the following applied to you in the year before you started your home-based business?

Answer options	Response
Employed in a large organisation (50+ employees)	40%
Employed in a smaller organisation (less than 50 employees)	19%
Not working (for any reason, e.g. looking after young family)	12%
Unemployed/on job-seekers' allowance after redundancy	12%
Running a business from commercial premises	5%
Self-employed but on contract to another business	5%
In education/training	3%
Other (give details) <i>Self-employed in - different business</i> <i>Working in a smaller organisation</i>	3%

Are you using the same skills and aiming at the same types of customers now as you did before setting up your home-based business?

Answer options	Response
Yes	14%
No	53%
To some extent	28%
No answer	5%

We have already talked in depth to a range of people running a business from a home base and found that there are many and varied reasons for starting up from home. Please click on all that apply to you and/or write in other answers below

Answer options	Response
Wanted to be my own boss/take decisions	53%
Wanted to develop a new business idea/my creative skills	51%
Better work/life balance	40%
Made redundant from previous workplace	32%
Seeking an additional source of income	28%
Frustrated by restrictions/working practices of former employer	25%
Availability of technology made it possible	19%
Fed up with travelling to/from place of work	16%
Other (give details) <i>Fits in around the children - don't like restrictive hours from employer/working at home mum/needed to be around for young children/lack of reasonably-priced childcare</i> <i>Family circumstances/wife died so I had to be at home</i> <i>Now retired but continuing own business</i> <i>Clearly seeing the results of my labours</i> <i>"Became unable to do my job due to ill health (special needs teacher). No redundancy or ill health pension. Taken time to get my health under some sort of control, now want to work from home at my own pace and in surroundings that suit me and to be productive and try to earn some money"</i>	30%

4.2. Benefits & Drawbacks

What do you consider to be the benefits of working from home? Select as many of the following as apply, and write in others if you wish

Answer options	Response
Can work hours to suit myself/flexible working hours	81%
Lower overheads/no office costs/no costs for travel to work	63%
Convenience – can use internet/new technology to do my work	67%
Do not currently want to pay for business premises	47%
Suits the family/other members of the household	46%
Other: <i>Job satisfaction and hopefully more money</i> <i>No need to put my baby into childcare</i> <i>Environment and facilities suitable for my needs (has a disability)</i>	5%
None/no benefits	2%

And what are the drawbacks to working from home? Please select as many as apply from this list and add comments in the box below if you wish

Answer options	Response
Can be distracted by other demands at home	53%
Hard to 'switch off' from work	47%
No set working hours/sometimes work long hours	45%
Lonely at times/miss the company of work colleagues	40%
Miss support of specialists available in larger orgs (e.g. legal, IT experts)	35%
Business image/conveys 'small' business	32%
Other: <i>It is daunting at times, but I believe I have marketable skills and creative drive to make it work</i> <i>No-one to bounce ideas with. getting information i need</i> <i>Missing not so much specialist as "generalists" who can provide guidance and suggest ways forward.</i> <i>No regular person to give constructive criticism of my work and progress and no one to be able to advise on 'next steps', pricing, sales etc</i>	7%
None/no drawbacks	9%

4.3. Setting up the business

What support or training did you have before starting your own business? Select as many as apply

Answer options	Response
General advice on how to set up the business	42%
Technical training skills (e.g. plumbing, glazing, specialist IT) relevant for the business	35%
Accountancy/tax advice	26%
Guidance on marketing/promoting the business	26%
Product information (e.g. for the product you planned to sell)	21%
Legal advice	12%
Training on selling/"closing the deal"	7%
How to finance a new business (e.g. from bank, venture capitalist)	2%
Advice on people management	2%
Time management	2%
Other: <i>upgraded my computer knowledge</i> <i>product development & manufacturing</i>	4%
None/no training or support	30%

For each type of advice or training that you obtained when starting your home-based business, please indicate where you obtained it – you can select more than one provider in each case if appropriate

Options given were:

- Friends/associates
- Recognised training provider
- Accountant
- Bank
- Lawyer
- Business support organisation, e.g. Business Link
- External provider, e.g. marketing company
- Other

As base sizes are too small to calculate percentages (would be misleading) we simply list the most common sources of advice or training for each type, using raw figures (not %).

Answer options	Received	Sources
General advice on how to set up the business	24	Friends/associates (16); business support org, e.g. Business Link (12); recognised training provider (8)
Technical training skills (e.g. plumbing, glazing, specialist IT) relevant for the business	20	Recognised training provider(15); friends/associates(5); business support org, e.g. Business Link(4)
Accountancy/tax advice	15	Accountant(14), Friends/associates(5); bank(2)
Guidance on marketing/promoting the business	15	Business support orgs (10); Friends/associates (7); external training provider (3)
Product information (e.g. for the product you planned to sell)	12	Friends/associates (10); external training provider (7)
Legal advice	7	Lawyer (6); friends/associates (5)
Training on selling/"closing the deal"	4	Friends/associates (3); recognised training provider (1); business support org (1)
How to finance a new business (e.g. from bank, venture capitalist)	1	Bank(, friends/associates/Business Link
Advice on people management	1	Recognised training provider
Time management	1	Other source

4.4. Awareness and use of Microbiz

Have you heard of Horsham Microbiz?

Answer options	Response
Yes	95%
No	5%

IF AWARE OF MICROBIZ: Have you attended any of the Microbiz Masterclasses or annual Microbiz events?

Answer options	Response
Yes	84%
No	16%

In which of these ways have Microbiz events been useful to you?

Answer options	Response
Generally inspiring/gave me new ideas	60%
Made new contacts with people to supply or support my business	53%
Networking/making contacts with potential customers	47%
Obtained useful information, e.g. on VAT, legislation	42%
Got information on how to start a business	30%
Learnt new skills, e.g. how to network efficiently	30%
Helped me to develop the business	16%
Other	9%
None of these/has not been useful	16%

4.5. New skills training

As you know, there are many aspects to running a business. For each of the following, please show whether you feel you have all the necessary skills to do the job yourself, or whether some training or support would be of help to you.

	Have skill myself	Others do for me	Would like to improve skills	Not sure
Marketing/promoting business generally	28%	2%	68%	2%
Selling/winning more business	23%	2%	75%	-
Managing clients & prospects/service	58%	2%	33%	7%
Financial management/accounts/VAT	16%	40%	37%	7%
Basic book-keeping (receipts/invoices etc)	51%	14%	35%	-
Minimising tax/claiming justified expenses	14%	46%	35%	5%
Time management	72%	2%	23%	2%
Credit control	49%	16%	21%	4%
Exhibition skills	30%	5%	56%	9%
Keeping up-to-date with legal requirements	14%	40%	40%	6%
Technology/IT to improve efficiency	26%	25%	39%	9%
Basic computer/IT skills	72%	2%	26%	-
Using internet to its full potential for your business	28%	5%	65%	2%
How to develop/grow the business in an organised way	28%	-	63%	9%
How to work effectively, e.g setting goals and sticking to them	56%	2%	37%	5%
Management of suppliers/associates	44%	-	35%	21%
Management of others who work for you (or might do in the future)	39%	5%	39%	17%

Are there any other skills you would like to learn or improve?

Answer options	Response
Yes (please give details in the box below)	28%
No	28%
Don't know	44%
Comments <i>There might be areas I don't know about but which would be useful</i>	

4.6. Use of new technology

How important is technology in enabling you to run a business from home?

Answer options	Response
It's critical to the success of my business	68%
Very important	21%
Important	9%
Not important	-
My business does not use technology	-
Hard to say	2%

What technologies are core to your business operations?

Answer options	Response
Broadband	100%
Email	100%
Mobile devices, e.g. Blackberry, i-phone	65%
Fax	9%
IT support	25%
Business Apps (e.g. Mileage Counter, Budget Tracker, Taskr)	2%

How do you use technology for your business? Please select as many answers as apply and/or write in any others

Answer options	Response
Communicating with existing clients and suppliers	86%
Keeping up-to-date, e.g. new product developments	74%
Finding suppliers	68%
Gathering information that helps me to win business/make sales	68%
Seeking out prospective customers	65%
Obtaining support and advice (e.g. from Business Link, govt websites)	58%
Developing associations with other businesses/people to help mine	58%
Submitting accounts/VAT returns	56%
Direct sales, e.g. from my own website	53%
Networking, e.g. using Linked In, facebook	51%
Communicating with work associates	49%
Using key words to get top listings on search engines	44%
Skype (voicecalls and/or messaging)	26%
Direct sales via specialist sites, e.g. ebay	25%
Using Twitter, blogs etc to promote the business	25%
Other: <ul style="list-style-type: none"> • <i>market research, consumer research</i> • <i>researching competitors & potential suppliers</i> • <i>searching technical forum for solutions to work problems</i> • <i>maintaining my website</i> 	

What, if anything, prevents you from using technology as much as you'd like to? You can select more than one reply

Answer options	Response
Nothing - I use it as much as I need	39%
Understanding how to use it - the potential benefits	33%
Limited knowledge/skills in using IT/computers/mobile devices	30%
Lack of time to learn about it/get it organised	25%
Cost - buying equipment/ installing high speed Wi-fi	25%
Broadband speed not very good in this area	14%
Not interested in technology	-
Other: <p><i>Understanding whether one is using the technology effectively</i> <i>Limited by not being able to manage a website for myself or trade online</i> <i>Broadband in the Horsham area is unreliable and BT doesn't provide a consistent available service</i></p>	7%

4.7. Provision of training/support

Looking at this list, please tick any where you think you could benefit from learning more about how to use technology

Answer options	Response
Using key words to get top listings on search engines	56%
Using Twitter, blogs etc to promote the business	46%
Seeking out prospective customers	46%
Networking, e.g. using LinkedIn	39%
Developing associations with other businesses or people to help my business	37%
Direct sales, e.g. from my own website	37%
Gathering information that helps me to win business/make sales	37%
Obtaining support & advice, e.g. from Business Link/govt. websites	34%
Communicating with existing clients/suppliers	32%
Keeping up-to-date, e.g. new product developments	32%
Sales via specialist sites, e.g. ebay	23%
Submitting accounts/VAT returns	23%
Finding suppliers	19%
Skype (voicecalls and/or messaging)	19%
Communicating with work associates	16%
None would be of benefit	5%
Don't know	5%
Other: <i>Market research that helps to remove the guesswork from evaluating the market for my services locally</i> <i>How to deal with banks and the various 'business' packages they offer</i> <i>Building good website</i> <i>Effective marketing and advertising</i> <i>Photography</i> <i>Web site development and use</i> <i>Understanding implications of setting up as sole trader v limited liability company</i> <i>Implications of registering for VAT</i> <i>Obtaining financial grants and support</i> <i>Customer databases & customer relationship management programmes</i> <i>Book-keeping</i> <i>PR & advertising website design & maintenance online sales local grant funding</i> <i>New glass fusing techniques</i>	

There are also a variety of ways in which support or training can be provided and some are likely to be more appropriate than other. Please give each of these approaches a score between 0 and 4 to indicate how appropriate it would be for you. 4 would mean you would find this an ideal way to obtain new skills or information, 0 would mean it was totally inappropriate for you. Of course you can select any number on the scale between the two. Please give one reply for each row.

Note: results are shown as mean scores (max 4)

Answer options	Mean score
Occasional half-day seminars on a set topic relevant to home-based businesses	2.9
Helpline you could call to obtain relevant advice/info related to running a HBB	2.8
A directory of HBBs in the HDC area, as a source of reference and information	2.7
Website dedicated to the needs of HBBs to provide info and support (run by the Microbiz experts within Horsham District Council)	2.6
A directory of groups/networks where you could meet other like-minded people	2.5
One-to-one meetings at your premises with independent coach/mentor to talk about your aims and how to achieve them	2.5
Online seminars ('webinars') on topics relevant to HBBs at specified times	2.3
DVDs on a range of business topics which you could watch at a time to suit you	2.3
One-to-one meetings at your premises with a business adviser (e.g. Business Link)	2.3
Regular telephone/online discussions with a business coach to check on your progress and keep you on track towards your goals	2.1
Train to Gain (home learning courses)	2.1
Printed documents on a range of business topics as a source of reference	2.0
A blog/online chat room to link you with other HBBs within the HDC area	2.0
Classroom style, e.g. college courses	1.8

Note: abbreviations are used in the table e.g. HBB, but not in the questionnaire

Other suggestions written in were:

- Assistance with short course costs for specialist courses (in my case wedding/portrait photography) – or a competent established photographer to mentor me in my business
- Online resources that can be tapped on demand when it is convenient
- Prefer one-to-one, or in a group
- Marketing, advertising and product display

Do you attend any networking groups (e.g. BNI, Women in Business, FSB, Chamber of Commerce), even if only occasionally?

Answer options	Response
Yes	42%
No	58%
Groups attended:	
Business Builder Club	5
BNI	6
Chamber of Commerce (local)	4
First Friday	3
CADIA	1
FSB	1
Henfield Biz Village Networking	2
Biz BN5	2
Steyning Village Networking	1
Southwater Art Club	1
Women in Business	2
Women Unlimited	1
She's Ingenious	1
Mumpreneurs	2

"I attended BNI a few times but as a mother found the early mornings unsuitable"

4.8. Plans for the future

Do you expect to increase turnover in the coming year?

Answer options	Response
Yes	86%
No	9%
Not sure	5%

What would you say are the major barriers to business growth at this time? You can give more than one answer

Answer options	Response
Rising costs	33%
Finding the time to plan for expansion	30%
Finance, tax and VAT	28%
Not understanding the requirements of a growing business	23%
Legislation and red tape	16%
Lack of available support/guidance/information	13%
Lack of ICT skills	11%
No major barriers	30%
Other <i>Lack of self-confidence</i> <i>My lack of confidence and understanding in marketing</i> <i>State of the nation – people being careful with their money. I'm selling a bit of a luxury product</i> <i>Continuing recession!</i> <i>General economic environment means clients are delaying / reducing their expenditure</i> <i>Finding reliable staff</i> <i>Finding customers</i> <i>Getting through to the relevant person</i> <i>Access to good partner funding/business angels</i> <i>Funding</i>	19%

4.9. Other comments

Here's an opportunity for you to add your own comments about the ways in which Horsham District Council could provide training or support of any kind to help the success of your business (through an appropriate provider)

Microbiz-related

- *Horsham already very strong with help and assistance*
- *I believe that HDC already provides an excellent support system to home based/small businesses and the Microbiz event is one of a kind. An increase in Microbiz-type events would be of benefit, even if one has to pay a small fee for attendance. Thank you.*
- *Really enjoyed Microbiz & found it educational and useful. Attending the next Marketing seminar in June too. A regular mailing/e-mail with a list of training events or networking events would be good*
- *I am going to check out Horsham Microbiz. I guess they need to make themselves more visible to the public!*
- *Reasonably priced networking events. Some sort of business-to-business introduction service*
- *Additional Business Fairs or Trade Shows*

Communication

- *Contacts with other small businesses just starting out and established, into their 2nd or 3rd year with who I could link up to get their view on the ground*
- *Would be useful if the council could perhaps come up with a free online e-magazine that features amongst other things small businesses operating in the district, Interview, photo, service description, how it benefits Horsham residents for example.*
- *Does HDC have a community website for local businesses to show what they have/can do. If they have it is not public knowledge and if they have not I think it would be very useful both as a user and supplier*
- *Any help would be gratefully received - communication from HDC to local business is very important*

Mentoring scheme

- *A mentoring scheme would be useful to help me to stay on track.*
- *I think a personal mentoring type service would be the most appropriate for me. Help from an experienced person, especially if they were in a similar field of business*
- *More one to one analysis and follow up of the business model*
- *Would be good if new businesses were assessed in terms of potential for local community. If assessment was favourable in terms in future turnover, job creation and benefit to both local community and national prosperity - they are then given detailed and specific guidance and assistance to succeed*

Financial support

- *They should give more financial support*

Staff training

- *If we had more grants and funding help available I would like to train various staff in different areas i.e. team leading, customer service as I want to invest in staff to ensure they stay with me but training is quite expensive*

4.10. Profile of the businesses/people in the survey

To give us some idea of your business, please select your turnover level for the past year?

Answer options	Response
Under £50,000	74%
£50,000 - £199,000	15%
£200,000 - £249,000	-
£250,000 - £499,000	3%
£500,000 - £999,000	-
£1 million or more	2%
Not sure	5%

Are you registered for VAT at the moment?

Answer options	Response
Yes	28%
No	72%

Which of the following age groups are you in?

Answer options	Response
18-24	2%
25-34	5%
35-44	23%
45-54	44%
55-64	21%
65+	5%

Are you.....

Answer options	Response
Male	51%
Female	49%

APPENDIX – TOPIC GUIDE

HBB Discussion Guide – 2010

- Background to their business including, how, when and why it was started
- aspirations in terms of growth, including views on taking on employees
- Perceived benefits and drawbacks of working from home
- Sources of information on business matters:
 - accounts, VAT and legal
 - 'how to' for expanding the business
 - marketing through a variety of channels (e.g. networking opportunities online and face-to-face, advertising, PR, conference speaking)
 - supplier management, client service)
 - skills training
 - technology to help the business operate effectively
 - premises (e.g. shared office space, virtual office back-up, moving on to specialist workshop)
- Gaps in knowledge/skills that they would like to be filled and how these could benefit them, probing on all the above areas – what is holding them back?
- coverage of what they understand 'training' to mean
- how it can be delivered for businesses in their specific situation
- how training/support can be most effectively be provided to their specific business
- Most appropriate method of delivery, i.e. channel (face-to-face, print, online), frequency, and type of provider (e.g. dedicated mentor with relevant experience and/or training specialist)
- comparison of delivery methods such as seminars, webinars, college courses, home-based training, helplines, business coaches/mentors, Business Link advisors, half-day workshops, networking events - recognising that the delivery is likely to differ according to the type of 'training'

The **online survey questionnaire** has been shown in the text of the report.