

APPENDIX 2

IFF RESEARCH PHONE SURVEY DATA ANALYSIS

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1. Methodology

Sampling

IFF Research conducted a telephone survey of 200 households in Lowestoft and Waveney. The study used a modified version of the UK Household Survey of Entrepreneurship 2001, which was recently used to gather data on entrepreneurship attitudes and incidence across different locations in England, for the SBS. (The report may be accessed online via the SBS website: www.sbs.gov.uk/research/; a copy of the questionnaire used by IFF for the Lowestoft and Waveney study is given at Appendix 1).

The 200 interviews were conducted using random access to phone numbers.

Table 1.1 shows the sample obtained.

Table 1.1 Sample summary

Lowestoft	148
Waveney	52
Phone line for home only	196
Business and home	4
Permanent residents of area	200

For ease of comparison of the new Lowestoft and Waveney data with the National sample, National data are re-presented in several tables throughout this report.

The Sample Profile

The table below shows the distribution of age and gender in the Lowestoft and Waveney sample, and similar figures from the National sample. A breakdown of the Lowestoft and Waveney population by ethnic origin is not included as very few respondents interviewed were not white (<5, i.e. 2 identified themselves as black and 1 as Asian).

Table 1.2 Demographic profile of Lowestoft and Waveney population, and comparative details of the National sample

	Lowestoft-Waveney		National sample	
TOTAL	N=200		N=5872	
AGE	N	%	N	%
16-24	18	9	797	14
25-34	40	20	1620	28
35-44	49	25	1524	26
45-54	48	24	1129	19
55-64	45	22	778	13
GENDER	N	%	N	%
Male	85	42	2671	45
Female	115	58	3201	55

2. Setting the Context – Attitudes to Entrepreneurs and Entrepreneurial Activity

The questionnaire included several attitudinal statements designed to measure people's opinions and feelings towards different facets of entrepreneurial behaviour.

A 5-point Likert-type scale was used in assessing attitudes with the attitudinal statements, where 1 = "disagree strongly", 5 = "agree strongly", and 3 represents no opinion on that subject:

1 2 3 4 5

Disagree Disagree Neither nor Agree slightly Agree strongly
strongly slightly

Examination and analysis of responses to these attitudinal statements are presented in three categories in the following report:

- Key enterprising traits
- Attitudes to risk and debt
- Attitudes to business.

The statements used in the Lowestoft and Waveney study varied slightly from the original National survey, some were not used, and two additional questions specific to the region were included. However, the attitudes measured by the two questionnaires are sufficiently similar to permit valuable and informative comparisons.

Table 2.1: Comparison of attitudinal statements used in the National HSE and the Lowestoft and Waveney version of HSE

	Lowestoft and Waveney version	National Survey
KEY ENTERPRISING TRAITS		
	I would describe myself as an imaginative and creative person	I am an imaginative and creative person
	When I have plans, I am almost certain to make them happen	same
	When working in groups I prefer that someone else takes the leading role	same
ATTITUDES TO RISK AND DEBT		
	I'm the sort of person who handles uncertainty well	same
	I enjoy the challenge of situations that many consider risky	same
ATTITUDES TO BUSINESS		
	I would encourage a friend or relative to start a business	same
NEW QUESTIONS SPECIFIC TO LOWESTOFT AND WAVENEY		
	It is easy to set up a business in this area	-
	It is just as easy to make a success of a business in this area as elsewhere in the East of England	-

This section of the report considers attitudes expressed by respondents of the Lowestoft and Waveney study at an overall level only. However, later in the report, this complete population will be divided into different sub-sections and analysed as independent groups.

Creating an Entrepreneurial Environment: Key Enterprising Traits, Attitudes to Risk and Debt, and Attitudes Towards Business

The charts and tables below present responses to the attitudinal statements (table 2.1) given by the population of Lowestoft and Waveney as a whole.

They show level of agreement with the attitudinal statements by two means: percentage agreement and disagreement with each statement, and mean score for each statement.

Mean values refer to the 5-point Likert scale outlined earlier, where 1=disagree strongly, and 5=agree strongly.

A tabulated form of data presented graphically is given after each chart.

Abbreviated descriptions of the full attitudinal statements are used in the tables and charts below for reasons of space; but see questionnaire for full wording.

Figure 2.1: Creating an entrepreneurial environment: Level of agreement to attitudinal statements regarding – Key enterprising traits and Attitudes to risk, debt and business

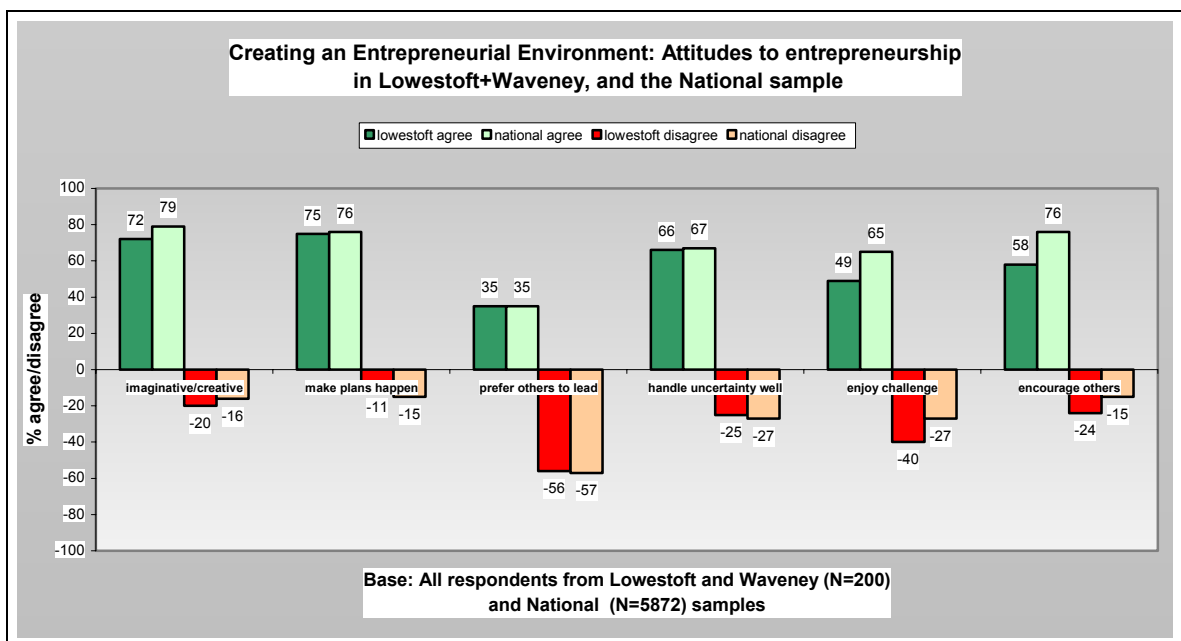


Figure 2.2: Creating an entrepreneurial environment: Mean scores for each attitudinal measure of entrepreneurship

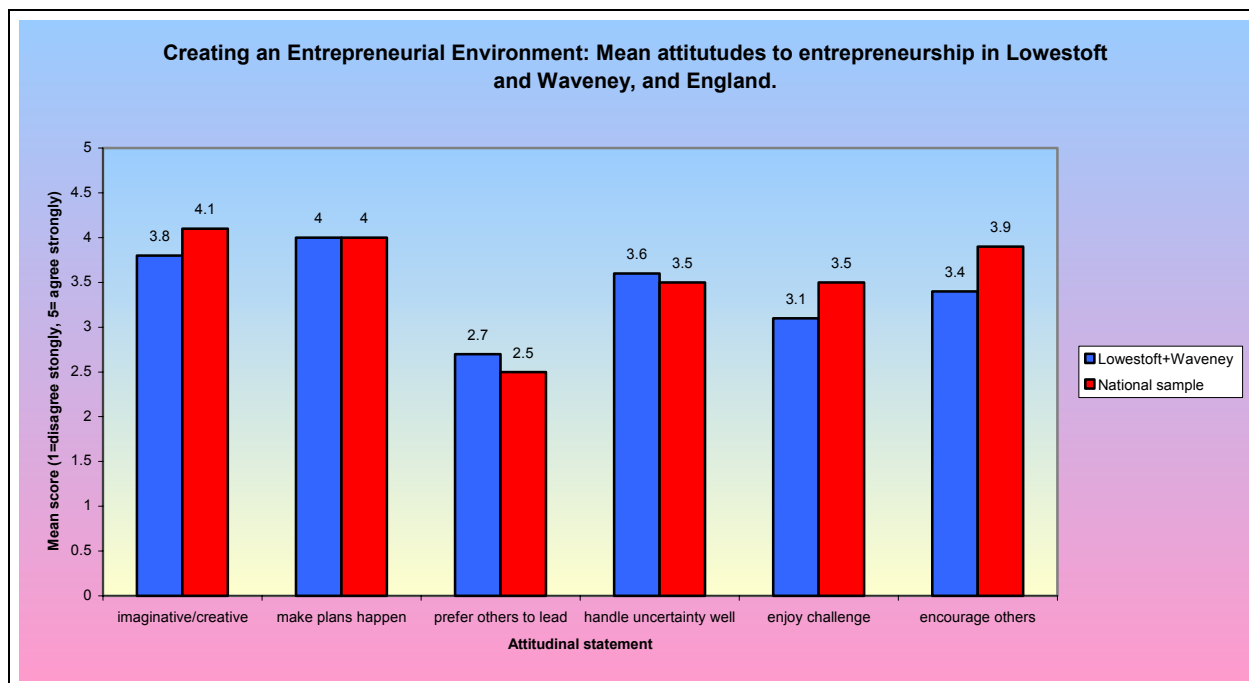


Table 2.2: Attitudes to entrepreneurship in the Lowestoft and Waveney population, and comparative National results

	Agree %		Disagree %		Mean	
	Lowestoft	National	Lowestoft	National	Lowestoft	National
Base: All Respondents	N=200	N=5872	N=200	N=5872	N=200	N=5872
KEY ENTERPRISING TRAITS						
Imaginative/creative	72	79	20	16	3.8	4.1
Make plans happen	75	76	11	15	4.0	4.0
Prefer others to lead	35	35	56	57	2.7	2.5
ATTITUDES TO RISK AND DEBT						
Handle uncertainty well	66	67	25	27	3.6	3.5
Enjoy challenge of risk	49	65	40	27	3.1	3.5
ATTITUDES TO BUSINESS						
Encourage others	58	76	24	15	3.4	3.9

Table 2.3: Additional attitudinal statements included in the Lowestoft and Waveney study only

	Agree %	Disagree %	Mean
Base: All Lowestoft and Waveney respondents	N=200		N=200
ADDITIONAL QUESTIONS			
Easy to set up business in area	29	52	2.6
Just as easy to be successful here as other East England locations	49	42	3.1

3. Entrepreneurial Activity

This chapter aims to establish and explain current levels of entrepreneurial activity in Lowestoft and Waveney. Furthermore, it attempts to compare these findings with comparative results from the National study.

As in the National HSE report, the population can be segmented into three categories on the basis of behaviour and attitudes to entrepreneurship:

1. **Doers** (Entrepreneurs) – those currently engaged in entrepreneurial activity through employers, self-employment, or side-lines.
2. **Thinkers** (Would-be entrepreneurs) – those who have recently thought about starting their own business or buying into an existing business and those who have thought about becoming self-employed.
3. **Avoiders** (Those not currently in business) – those who are neither currently engaged in entrepreneurial activity nor have recently thought about becoming so.

Sub-group-specific questions (i.e. items asked specifically to each category of respondent) are given in the questionnaire.

Levels of Entrepreneurial Activity in Lowestoft and Waveney by Sub-Group

Pie charts and tables reveal how the Lowestoft and Waveney sample is segmented into the three categories described above. Additionally, figure 3.2 shows the National results for ease of comparison.

Figure 3.1: Segmenting the population of Lowestoft and Waveney by entrepreneurship sub-groups: Doers, Thinkers and Avoiders

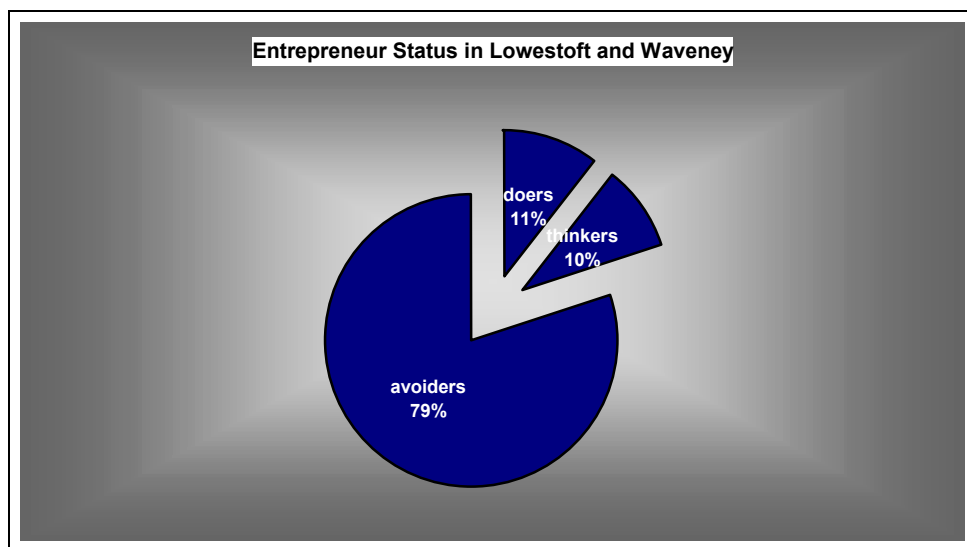


Figure 3.2: Segmenting the National population by entrepreneurial sub-group

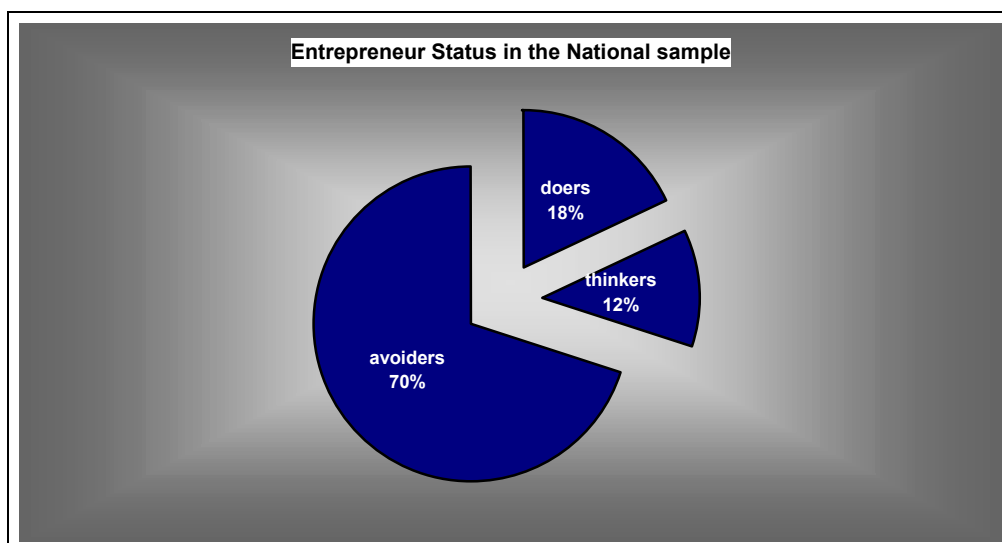


Table 3.1: Segmenting the population – Entrepreneur status

	Lowestoft and Waveney		National	
Base: All respondents	N=200		N=5872	
ENTREPRENEUR STATUS	%	N	%	N
Doers	11	21	18	1057
Thinkers	10	19	12	705
Avoiders	79	160	70	4110

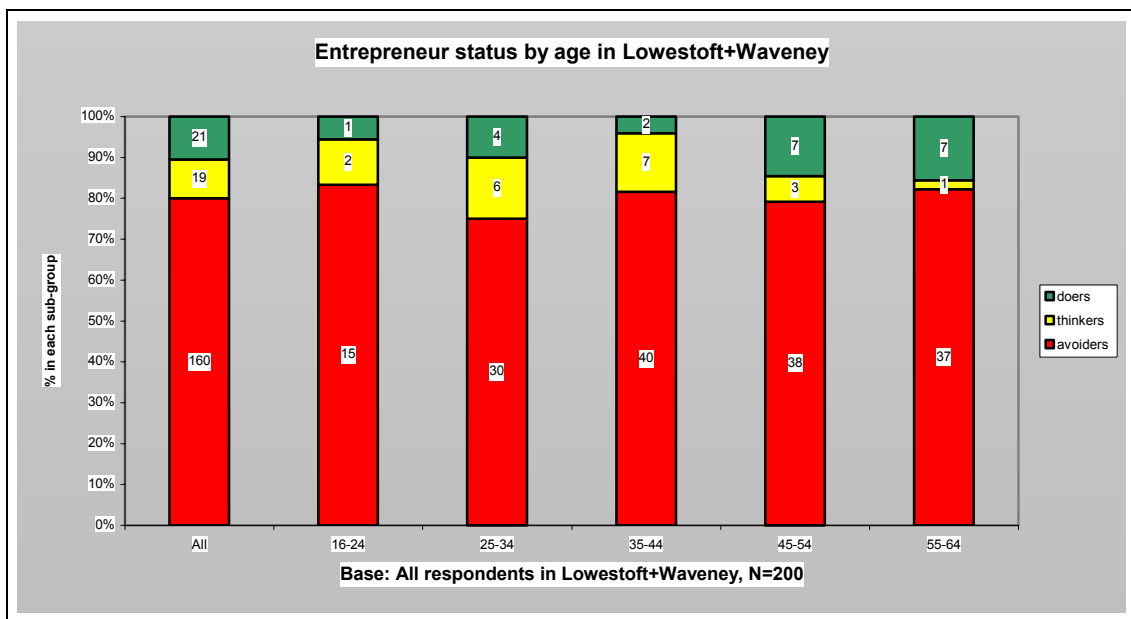
There is a clearly visible difference in proportion of doers in Lowestoft and Waveney compared to the National sample. It appears that there are slightly fewer active entrepreneurs in Lowestoft and Waveney versus the National group (11% vs 18%). There are slightly fewer people considering entrepreneurial activity (thinkers) compared to National numbers (10% vs 12%).

Profiles of Respondents by Entrepreneurial Status

The following charts aim to show the difference in entrepreneurial activity according to age, gender and social class.

Age

Figure 3.3: Entrepreneur status by age



As in the National sample, figure 3.3 and table 3.2 show that younger people are more likely to be thinking of starting up a business, whereas 45-64 year olds are more likely to actually be running their own business.

It should be noted that figure 3.3 presents actual raw numbers of respondents falling in each category, whereas the corresponding graph in the National report gives proportions of respondents in each sub-group in percentages. This discrepancy is due to the different sizes of the populations used in the two studies.

Table 3.2: Entrepreneur status by age; Lowestoft and Waveney versus the National sample

	Doers		Thinkers		Avoiders	
	Lowestoft	National	Lowestoft	National	Lowestoft	National
	N=21	N=1036	N=19	N=710	N=160	N=4126
AGE	%		%		%	
All	11	18	9	12	79	70
16-24	5	10	10	17	9	73
25-34	19	15	32	16	19	68
35-44	10	21	37	11	25	68
45-54	33	23	16	7	24	70
55-64	33	20	5	5	23	75

Gender and Social Class

Figure 3.4 Table 3.3 below show that larger numbers of men engage in entrepreneurial activity than women (15 male vs 6 female respondents are doers). This trend replicates the sex difference found in entrepreneurial activity in the National sample (24% male vs 11% female entrepreneurs).

Figure 3.4: Gender and e-intensity

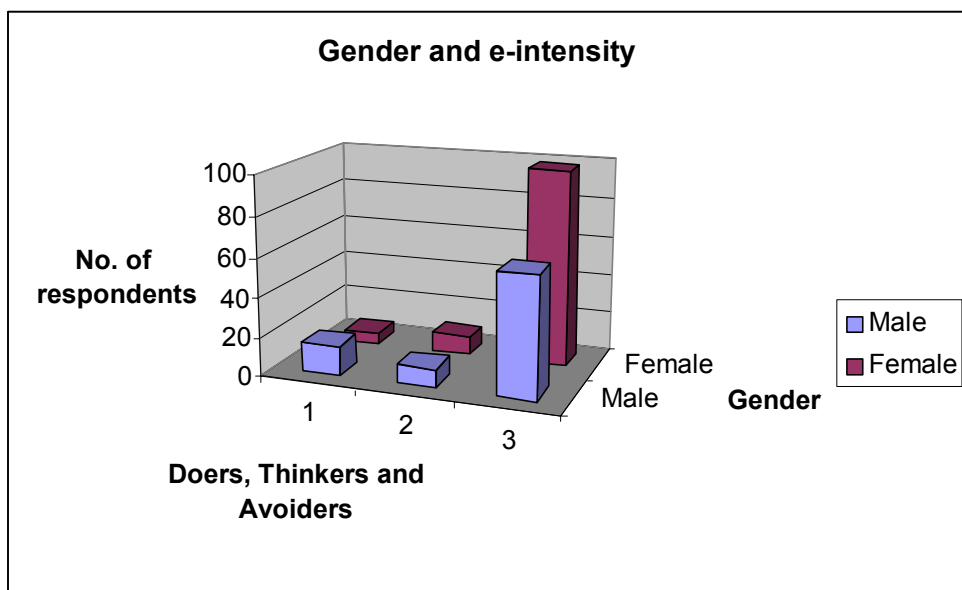


Table 3.3: Entrepreneurial status by gender and social class: Lowestoft and Waveney

	Total	Male	Female	AB	C1	C2	DE
Base: All	N=200	N=85	N=115	N=34	N=140	N=43	N=25
ENTREPRENEURIAL STATUS	N	N		N			
Doers	21	15	6	2	2	1	-
Thinkers	19	9	10	5	84	3	3
Avoiders	160	61	99	27	54	39	22

Social class indicators have been used here to describe the level of entrepreneurial intent. The most noticeable feature is that the highest level of avoiders are in classes C1 and C2.

Figure 3.5: Social class and e-intensity

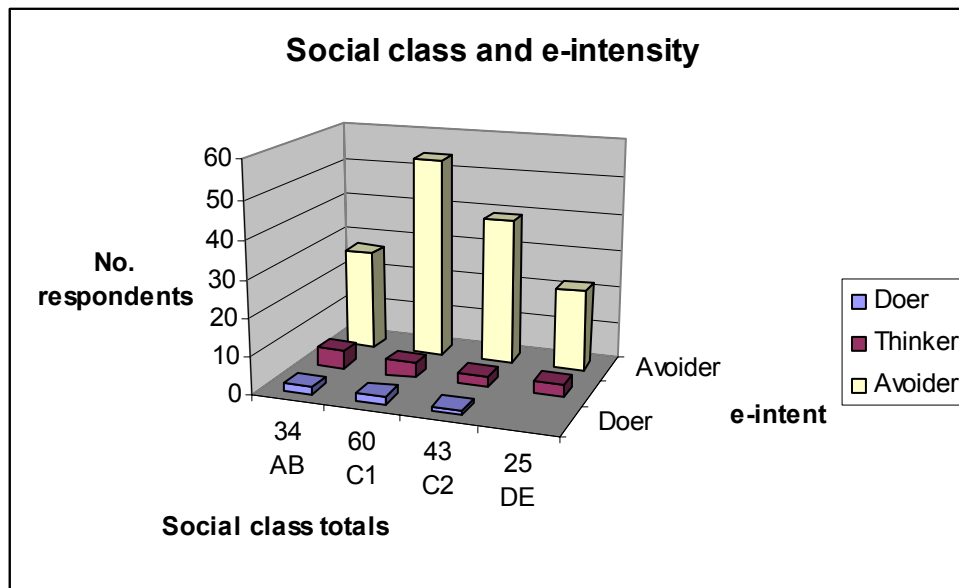


Figure 3.6: Demographic profile of respondents

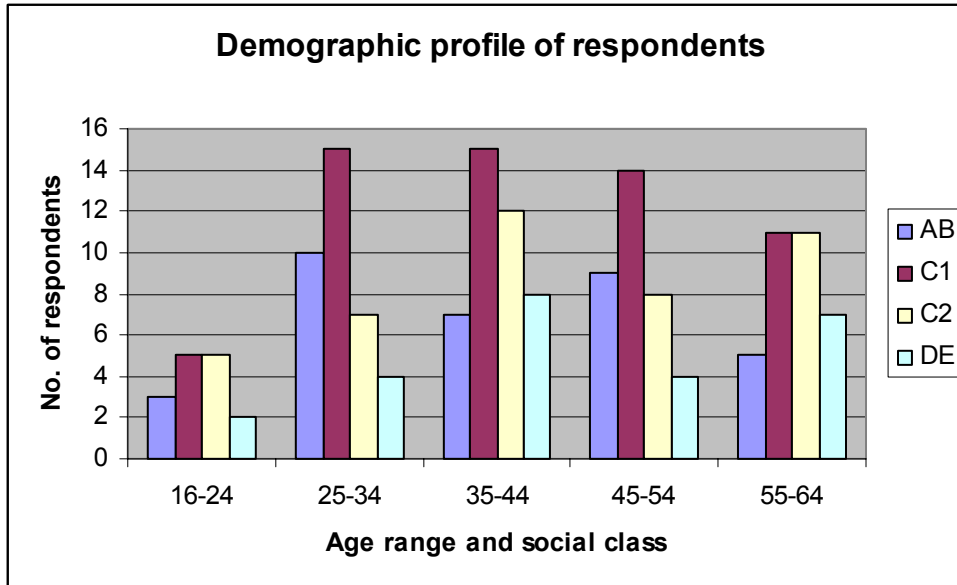


Table 3.4: Occupations

Occupations	
Self-employed	13
Own a business	5
Partner in a business	6
Employee	115
Studying full time	7
Retired	16
Full time housewife/househusband	26
Currently unemployed	20

Profiles of Entrepreneurs (Doers)

Business activity

Figure 3.7: Business activity of doers in Lowestoft and Waveney (N=21)

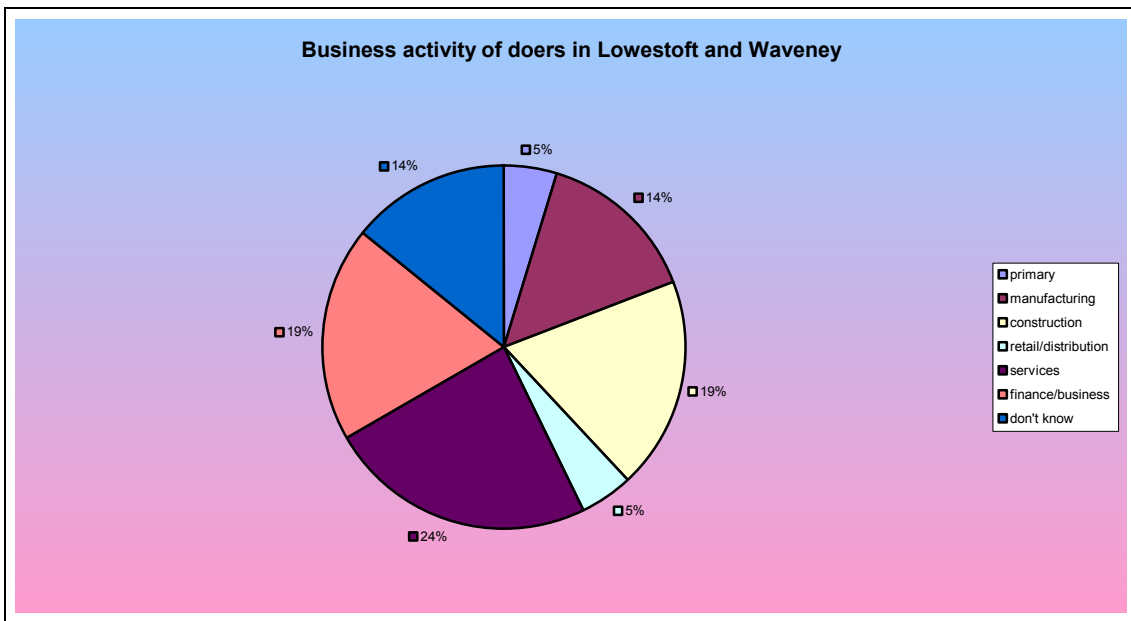


Figure 3.8: Business activity of doers in the National sample (N=1036)

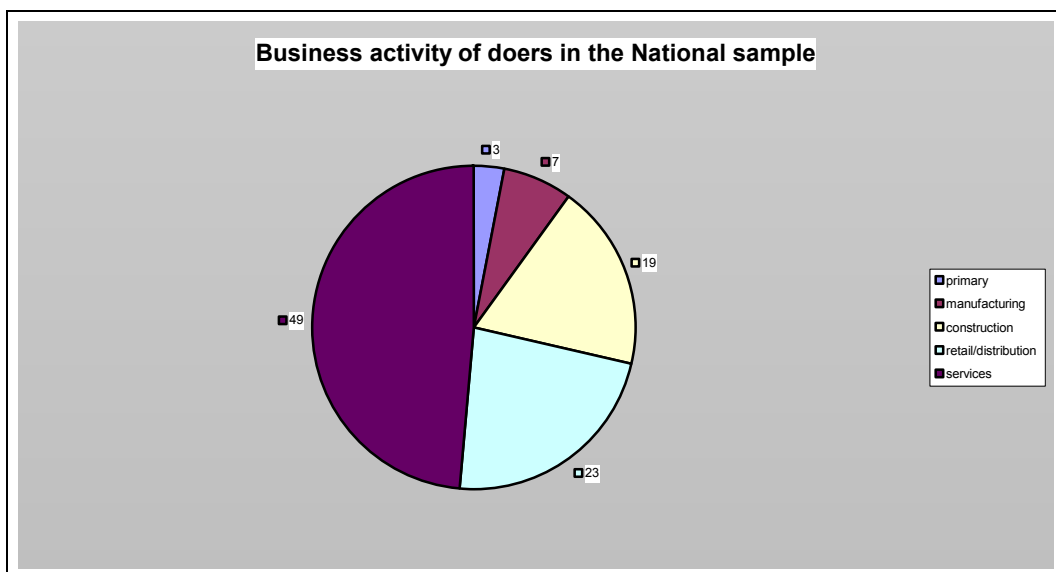


Table 3.5: Business activity of doers in Lowestoft and Waveney, and the National sample

		Lowestoft and Waveney		National Sample
Base: All doers		N=21		N=1036
BUSINESS ACTIVITY		N	%	%
Primary – agriculture/fishing		1	5	3
Manufacturing		3	14	7
Construction		4	19	19
Wholesale/retail and distribution		1	5	23
Services	Education	1	5	24
	Health and social services	2	9.5	
	Other services	2	9.5	
Finance/business activity		4	19	-
Don't know		3	14	-

Entrepreneurial activity of individuals in Lowestoft and Waveney is concentrated mainly in finance, manufacturing, services and construction (figure 3.7, table 3.5). There are greater levels of finance and manufacturing by entrepreneurs in this region compared to the National average, but less retail and distribution than seen in the National sample (figure 3.8).

Contribution of Entrepreneurs (Doers) to the Economy in Lowestoft and Waveney – Turnover

Table 3.6: Annual sales turnover of doers in Lowestoft and Waveney, and doers questioned in the National survey

	Lowestoft and Waveney		National Sample	
Base: All doers	N=21		N=1036	
ANNUAL TURNOVER	N	%	N	%
Nothing/negligible	0	0	21	2
£0k-£5k	2	9	166	16
£5k-£25k	5	24	228	22
£25k-£50k	3	14	145	14
£50k-£100k	2	9	93	9
£100k-500k	1	5	93	9
£500k-£1m	1	5	42	4
£1m-£10m	1	5	31	3
£10m-	1	5	10	1
Don't know	1	5	218	21
Refused	4	19	0	0
Mean (£000s)*	£1024		£425	
Median (£000s)	£50		£24.5	

*The mean annual turnover for active entrepreneurs (doers) in Lowestoft and Waveney was calculated using the middle value of the appropriate band (e.g. £0-£5 = £2.5k). The formula for deriving mean annual turnover for National sample is unknown.

4. Potential Entrepreneurial Activity in Lowestoft and Waveney

This section presents a further division of thinkers (would-be entrepreneurs) into those who have, and those who have not, thought seriously about starting their own business.

Table 4.1: Depth of thought by thinkers in Lowestoft and Waveney, and thinkers in the National population

	Lowestoft and Waveney		National Sample	
Base: All thinkers	N=19		N=710	
DEPTH OF THOUGHT	N	%	N	%
Serious – will almost certainly happen*	5	26	234	33
Serious – likely to happen*	6	32	142	20
Some thought – may possibly happen	6	32	234	33
Not much thought – would like to do some day	1	5	78	11
Other	0	1	21	3

*These two categories of thinkers later constitute "serious thinkers" – see below

Serious Thinkers – Degree of Preparation and Funding

A further analysis below includes those thinkers in the Lowestoft and Waveney population that indicate a serious interest in entrepreneurship activity. This new population is defined by those thinkers that have given serious thought to a business idea shown in the depth of thought questions above (serious – will almost certainly happen, and, is likely to happen).

Table 4.2: Degree of preparation for future venture – Serious thinkers in Lowestoft and Waveney only

	All Serious Thinkers	
Base: All serious thinkers	N=11	
DEGREE OF PREPARATION	N	%
Research	6	55
Worked on business plan	3	27
Looked for premises	1	9
Saved money	1	9
Looked for equipment	1	9
Other*	3	27
No answer	1	9

**Other* could include e.g. looked for staff, education/training, nothing yet etc.

5. Promoting Entrepreneurship in Lowestoft and Waveney

This chapter considers more closely the challenges facing potential entrepreneurs. Firstly, the report will present an examination of differences between entrepreneurial attitudes expressed by doers and thinkers.

Changing Attitudes

These results are taken again from the attitudinal statements discussed in section 2, with a more detailed examination of the data, by entrepreneurship status. Here, mean score corresponds to average of score on the 5-point Likert-type scale used for the attitude questions (1 = "disagree strongly", 5 = "agree strongly" and 3 = no opinion on that matter).

Figure 5.1: Key enterprising traits and attitudes, by entrepreneurial status

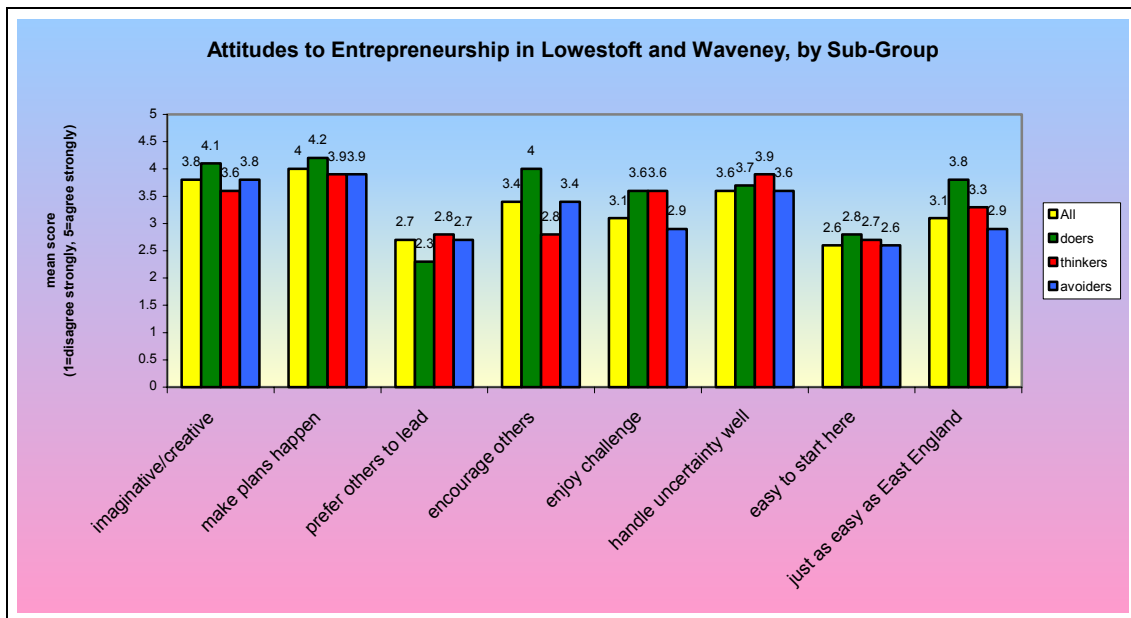


Table 5.1: Key enterprising traits and attitudes to risk, debt & business by sub-group in Lowestoft and Waveney

		All	Doers	Thinkers	Avoiders
Base: All respondents and sub-groups, Lowestoft and Waveney only		N=200	N=21	N=19	N=160
ATTITUDINAL STATEMENT		Mean score (1-5)			
Key enterprising traits	Imaginative/creative	3.8	4.1	3.6	3.8
	Make plans happen	4.0	4.2	3.9	3.9
	Prefer others to lead	2.7	2.3	2.8	2.7
Attitudes to risk, debt and business	Encourage others	3.4	4.0	2.8	3.4
	Enjoy challenge	3.1	3.6	3.6	2.9
	Handle uncertainty well	3.6	3.7	3.9	3.6
New to Lowestoft & Waveney study	Easy to start in this area	2.6	2.8	2.7	2.6
	Just as easy as East of England locations	3.1	3.8	3.3	2.9

Harnessing Motivations

This section will present a comparison of motivational factors encouraging entrepreneurship between doers and thinkers in Lowestoft and Waveney. The complete set of motivational attributes are divided into three sub-categories as follows:

- Aspirations
- Self-fulfilment
- Push factors.

Figure 5.2: Harnessing motivations – Aspirations of doers and thinkers in Lowestoft and Waveney

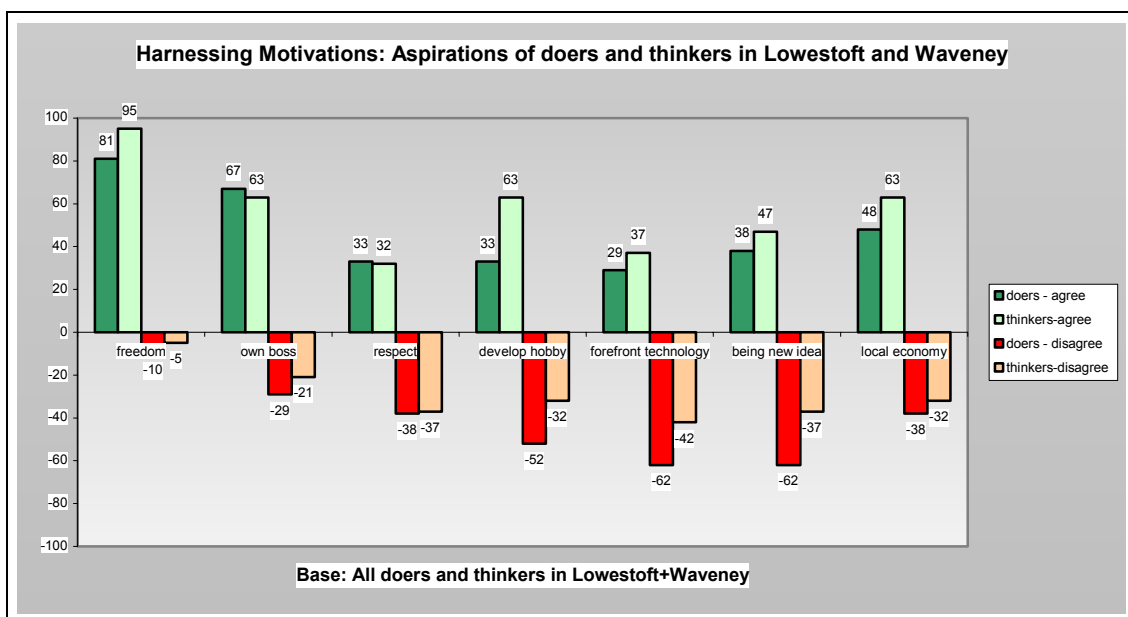


Table 5.2: Harnessing motivations – Aspirations expressed by doers and thinkers in Lowestoft and Waveney only

	Agree		Disagree	
	Doers	Thinkers	Doers	Thinkers
Base: All Doers and Thinkers	N=21	N=19	N=21	N=19
MOTIVATION -ASPIRATION	N (%)		N (%)	
Freedom to adopt own approach	17 (81)	18 (95)	2 (10)	1 (5)
Wanted to be own boss	14 (67)	12 (63)	6 (29)	4 (21)
More respect working for myself	7 (33)	6 (32)	8 (38)	7 (37)
Develop hobby into commercial activity	7 (33)	12 (63)	11 (52)	6 (32)
Be at the forefront of technology	6 (29)	7 (37)	13 (62)	8 (42)
Bring something new to local area*	8 (38)	9 (47)	13 (62)	7 (37)
Contribute to the local economy*	10 (48)	12 (63)	8 (38)	6 (32)

* - Questions only added in the Lowestoft and Waveney version of the HSE.

Figure 5.3: Harnessing motivations – Self-fulfilment of doers and thinkers in Lowestoft and Waveney

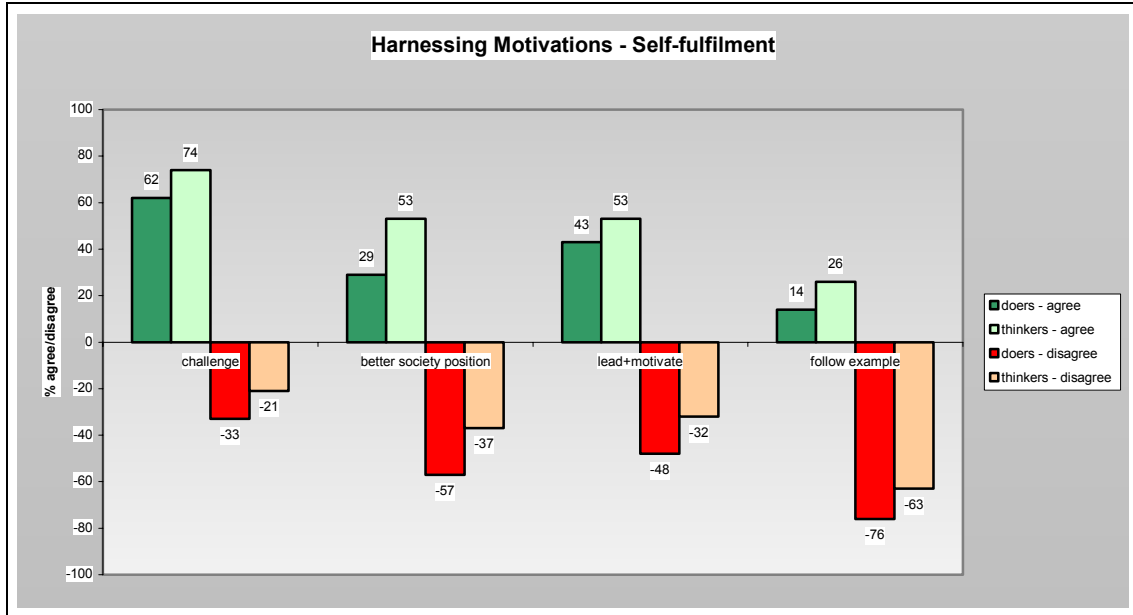


Table 5.3: Harnessing motivations – Self-fulfilment in doers and thinkers in Lowestoft and Waveney

	Agree		Disagree	
	Doers	Thinkers	Doers	Thinkers
Base: All doers and thinkers, Lowestoft and Waveney only	N=21	N=19	N=21	N=19
MOTIVATIONS – SELF-FULFILMENT	N (%)		N (%)	
Challenge	13 (62)	14 (74)	7 (33)	4 (21)
Achieve better position in society	6 (29)	10 (53)	12 (57)	7 (37)
Lead and motivate others	9 (43)	10 (53)	10 (48)	6 (32)
Follow example of some I admire	3 (14)	5 (26)	16 (76)	12 (63)

Figure 5.4: Harnessing motivations – Push factors in doers and thinkers in Lowestoft and Waveney

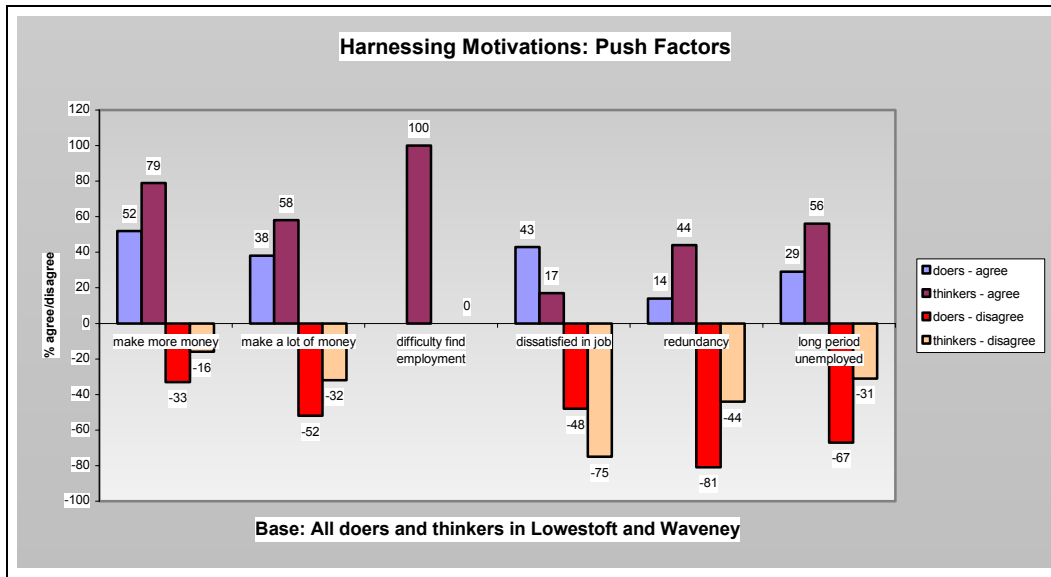


Table 5.4: Harnessing motivations – Push factors, doers and thinkers in Lowestoft and Waveney only

	Agree		Disagree	
	Doers	Thinkers	Doers	Thinkers
Base: All Doers and Thinkers	N=21 (but see key)	N=19 (but see key)	N=21 (but see key)	N=19 (but see key)
MOTIVATION – PUSH FACTORS	N		N	
Make more money	11	15	7	3
Make a lot of money	8	11	11	6
Difficulties finding employment	-	3 ##	-	0 ##
Dissatisfied in job #	9	2	10	9
Redundancy	3	7*	17	7*
Long period out of work	6	9*	14	5*

* Employed thinkers only (N=16)

Dissatisfied in my current job – employed doers and thinkers only (doers N=21; thinkers N=12)

Difficulties finding employment – population is unemployed thinkers only (N=3)

Business Knowledge and Skills

This analysis again focuses on the difference between doers and thinkers in the Lowestoft and Waveney study.

Abbreviations are used for each category of business skill/knowledge in the bar charts below– see table 5.5 for fuller description.

Figure 5.5: Business knowledge of doers and thinkers in Lowestoft and Waveney

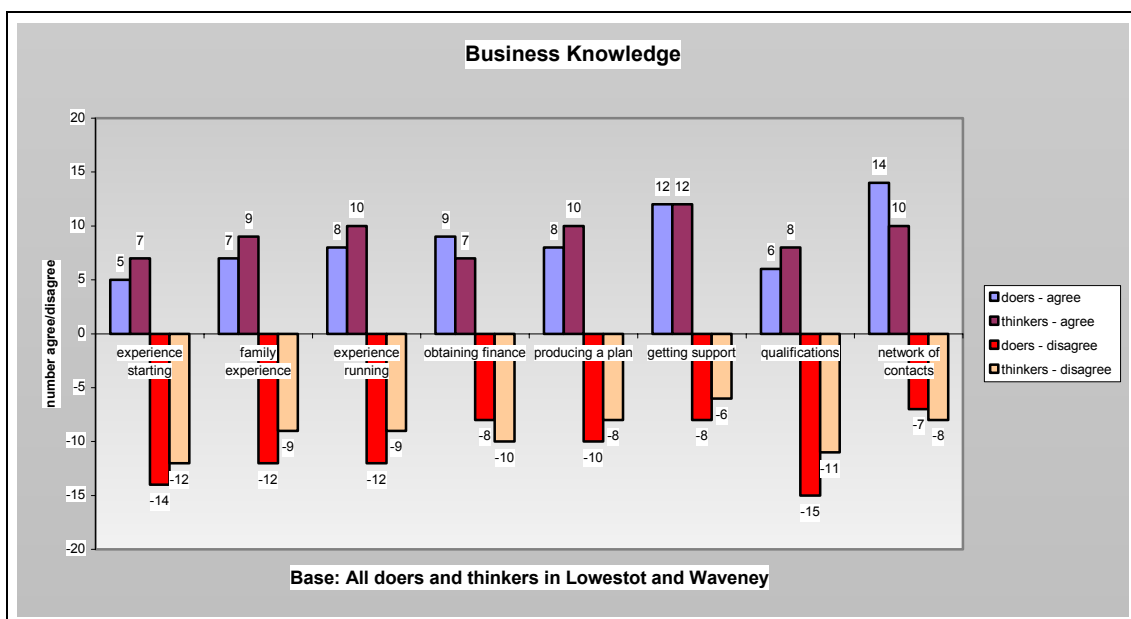


Table 5.5: Business knowledge of doers and thinkers in Lowestoft and Waveney

	Agree		Disagree	
	Doers	Thinkers	Doers	Thinkers
Base: all doers and thinkers, Lowestoft and Waveney	N=21	N=19	N=21	N=19
BUSINESS KNOWLEDGE	N		N	
Experience of starting a business	5	7	14	12
Family business experience	7	9	12	9
Experience of running a business	8	10	12	9
How to obtain finance	9	7	8	10
How to produce a business plan	8	10	10	8
Get business support	12	12	8	6
Business qualifications*	6	8	15	11
Good network of business contacts*	14	10	7	8

* Additional question used in the Lowestoft and Waveney version of HSE

Figure 5.6: Business skills of doers and thinkers in Lowestoft and Waveney

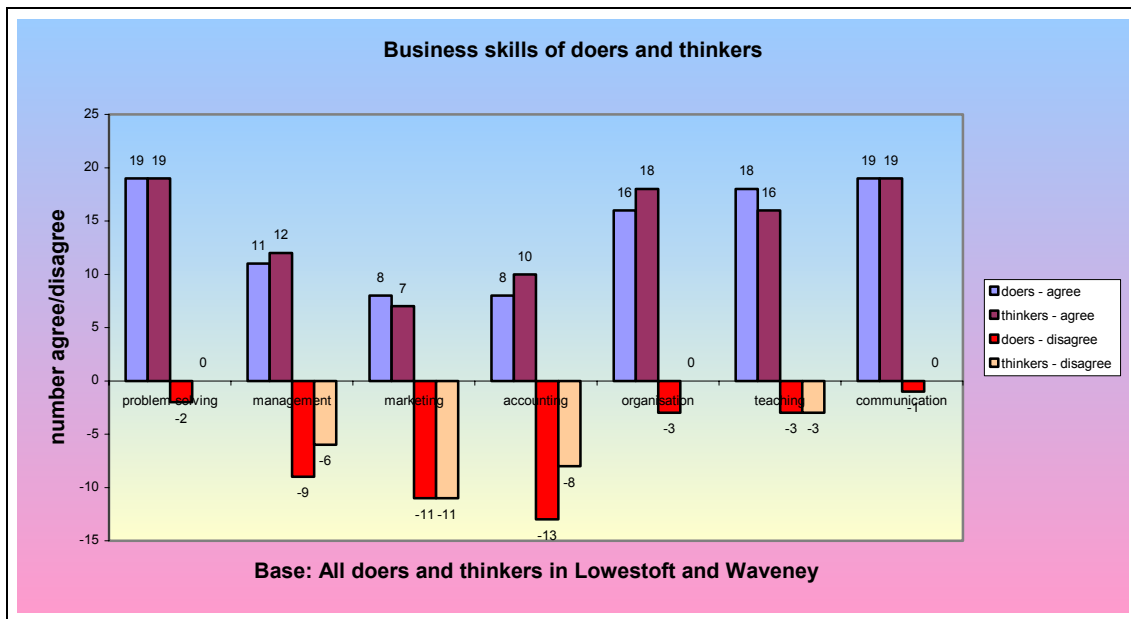


Table 5.6: Business skills of doers and thinkers in Lowestoft and Waveney

	Agree		Disagree	
	Doers	Thinkers	Doers	Thinkers
Base: all doers and thinkers, Lowestoft and Waveney	N=21	N=19	N=21	N=19
BUSINESS SKILLS	N		N	
Problem-solving skills	19	19	2	0
Management skills	11	12	9	6
Marketing skills	8	7	11	11
Accounting skills	8	10	13	8
Organisation skills*	16	18	3	0
Good at teaching others my skills*	18	16	3	3
Good communicator*	19	19	1	0

*Additional questions used in the Lowestoft and Waveney version of HSE

Barriers to Entrepreneurial Activity

The following is a consideration of potential barriers to be overcome by thinkers and avoiders in order to become active entrepreneurs.

Items included in the Lowestoft and Waveney survey that addressed perceived barriers to starting a business are:

- Thinkers**
 - Barriers to starting a business?
 - Two biggest barriers to starting a business?
- Avoiders**
 - Which of the following, if any, are potential barriers to you starting a business or becoming self-employed?
 - Biggest barriers to you starting a business?

Using data from questions above (thinkers) barriers to starting a business, and (avoiders) biggest barriers only.

Table 5.7: Perceived barriers to starting a business – thinkers and avoiders in Lowestoft and Waveney

	Thinkers	Avoiders
Base: All Thinkers and Avoiders	N=19	N=160
BIGGEST BARRIERS	N (%)	
Fear of debt	0 (0)	12 (8)
Getting finance	6 (32)	40 (25)
Fear of failure	0 (0)	10 (6)
Losing current income	3 (16)	13 (8)
Losing security	5 (26)	23 (14)
Complexity of regulations	0 (0)	15 (9)
Knowing how to start business	4 (21)	9 (6)
Not having a business idea	3 (16)	14 (9)
Economic climate	0 (0)	15 (9)
Age	0 (0)	20 (13)
Lacking business skills	3 (16)	19 (12)
Premises, equipment, staff	0 (0)	14 (9)

Entrepreneurial Intensity in Lowestoft & Waveney

Current promotional prospects	4 (21)	5 (3)
Hard work involved	4 (21)	4 (3)
Bad experiences	0 (0)	3 (2)
Lack of interest	0 (0)	3 (2)
Other	0 (0)	14 (9)
Don't know	4 (21)	10 (6)

A further analysis of the above data is given in figure 5.7, and table 5.8. This indicates that thinkers, who gave more than 3 potential barriers to entrepreneurship in the first instance, think that lack of know-how, obtaining finance, and loss of security are, among others, the most important obstacles in becoming an entrepreneur (N=5).

Figure 5.7 Two main barriers to starting a business – thinkers only (N=5)

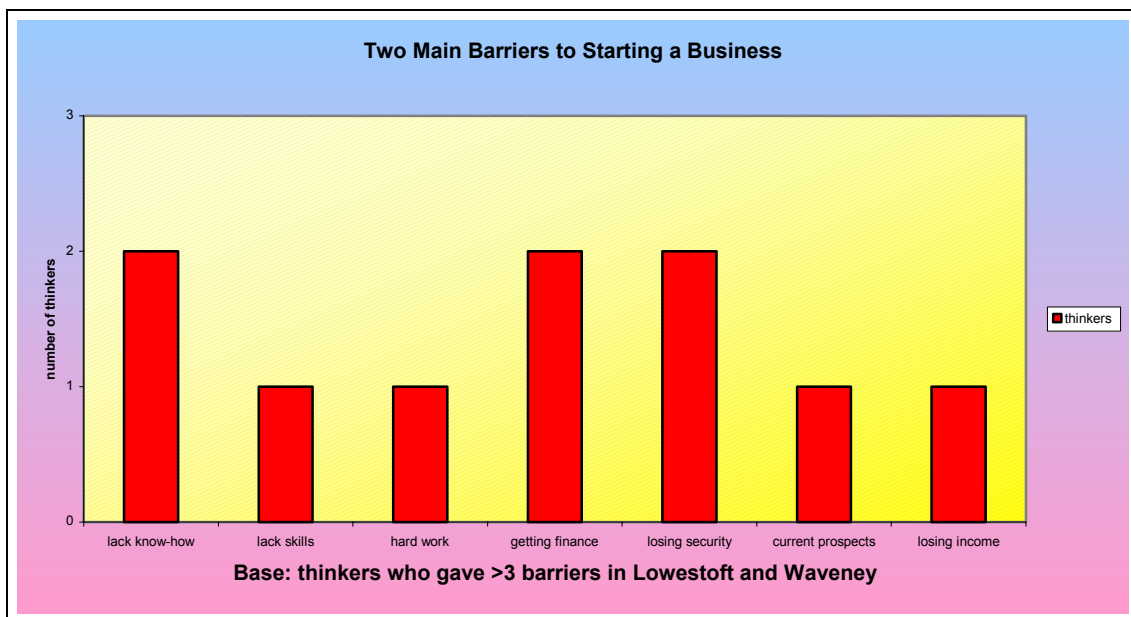


Table 5.8: Two main barriers to starting a business expressed by thinkers in Lowestoft and Waveney

	Thinkers	
Base: thinkers who named >3 barriers, Lowestoft and Waveney	N=5	
BARRIERS	N	%
Lacking know how	2	40
Lacking skills	1	20
Hard work involved	1	20
Getting finance	2	40
Losing security	2	40
Current prospects	1	20
Losing income	1	20

Transitions

8 Barton Close, Newnham, Cambridge CB3 9LQ

Tel: 01223 568122

Email: transitions@transitions.co.uk

URL: www.transitions.co.uk