

Southwark Pioneers Fund Consultation hub survey analysis

Findings and analysis from the enterprise engagement survey titled: Help shape how we support entrepreneurs and small enterprises.

Consultation period: 20/03/2019 to 19/04/2019

Total number of respondents: 64

Published by Southwark Council: Local Economy Team

* Validity – all questions have not been answered by all respondents. We have made efforts to represent this in our analysis. Any queries on this matter please contact: james.reed@southwark.gov.uk or localeconomy@southwark.gov.uk.

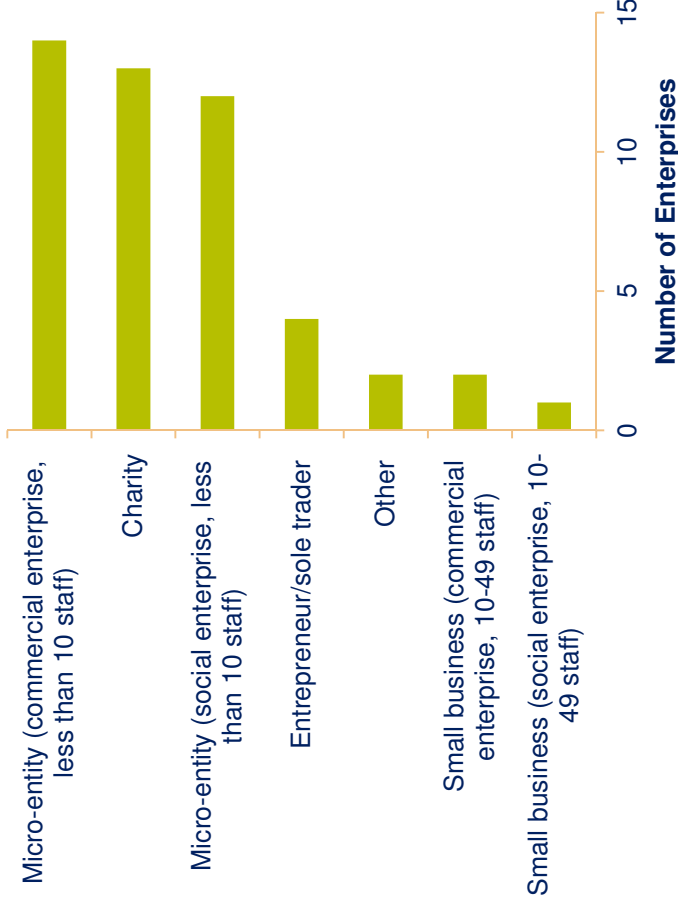


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Section 1 – About respondents' enterprises



Individual respondents:

Respondents who were answering on behalf of their organisation: 73%
 In a personal capacity (i.e. not from a registered business): 27%

Most common types of enterprise;

Micro-entity (commercial): 14
 Charity: 13
 Micro-entity social enterprise: 12
 Entrepreneur/ Sole Trader: 4

Length of time trading in trading:

2 - 5 years: 35%
 1 year - 2 years: 19%
 6 months - 1 year: 16%
 Less than 6 months: 13%
 Pre-trading: 16%

Location:

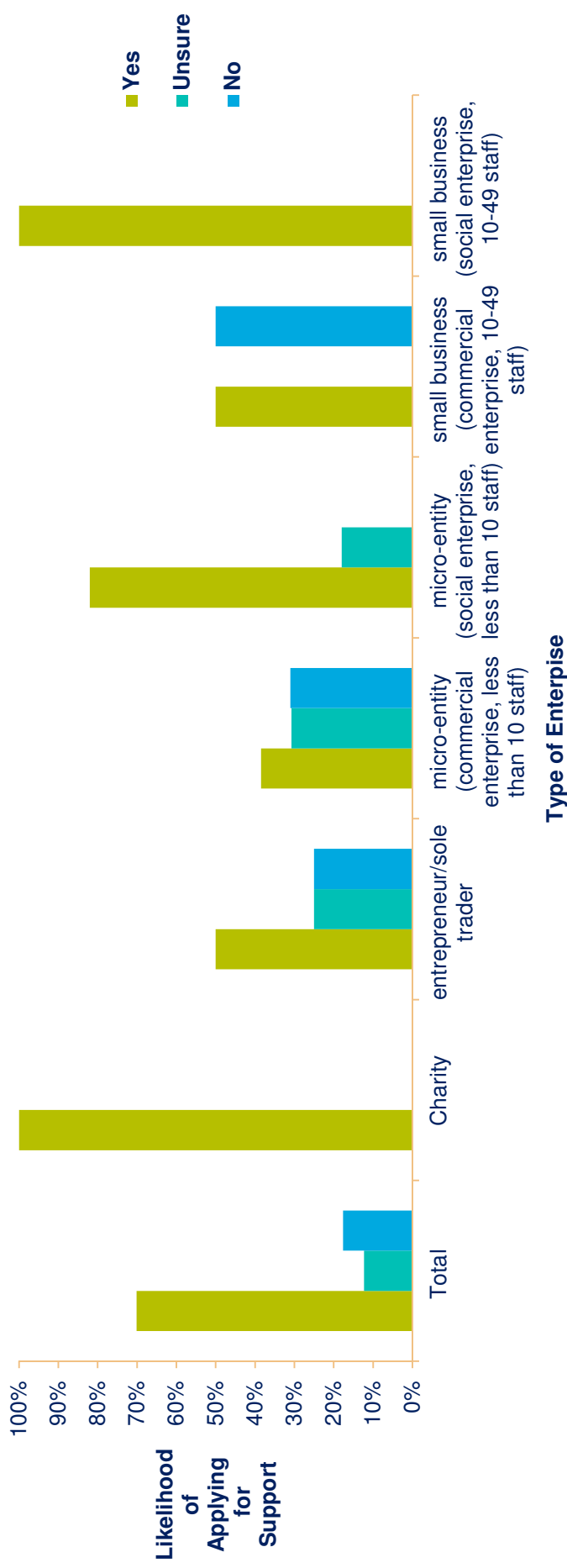
Enterprises based in Southwark: 88%
 In other London Boroughs: 6%

Estimated annual turnover

Nil: 4%
 under £50,000: 20: 42%
 £50,000 - £100,000: 3: 6%
 £100,000 - £200,000: 5: 10%
 £200,000 - £500,000: 10: 21%
 £500,000 - £1 million: 6: 13%
 £1.5 million - £2 million: 2: 4%

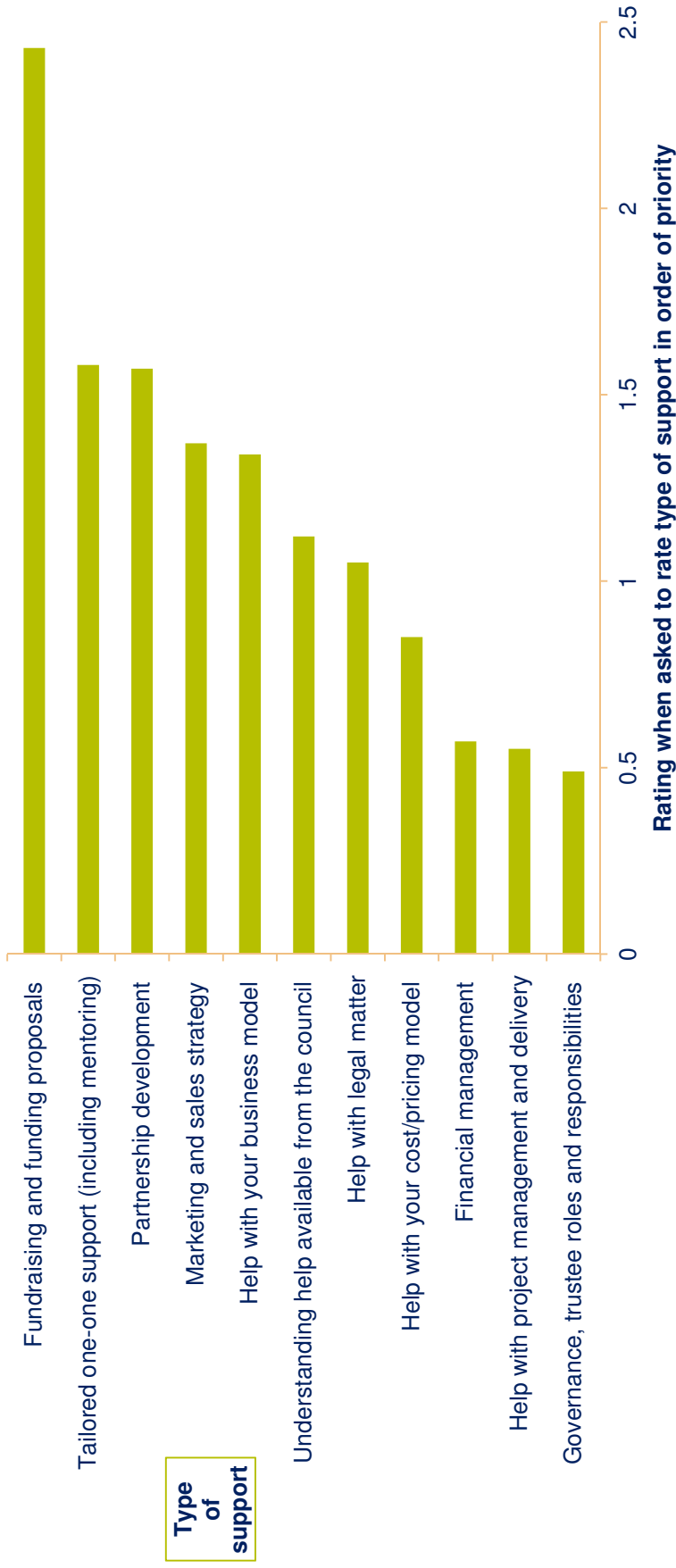
Section 2 – Need and demand for support

Will you apply for financial and/or non financial support over the next three years?



The total 'yes' column shows that 43 respondents (70%) will be applying for support in the next three years, this shows that there is a demand for the support that the Fund will offer. We then asked what was **preventing** them from applying for current support (if they answered no or unsure). The main theme was that they were *not aware of what support is available* (6 comments, 50%). This suggests a requirement to invest in strategies to raise awareness when the Fund launches.

Most needed type of support



There was some differentiation between type of support need and type of enterprise:

- Charities prioritised help with fundraising and funding proposals, and partnership development.
- Micro entities (commercial) would like to better understand help available from the council and receive support regarding marketing and sales strategy.
- Entrepreneurs wanted tailored one-one support (including mentoring), and support with fundraising and funding proposals
- Micro entities (social enterprise) wanted tailored one-one support (including mentoring), support with fundraising and funding proposals.
- Small businesses would prioritise support with fundraising and funding proposals, and help with governance.

Need and demand for workspace support

When asked if respondents would seek to receive affordable workspace support at some point over the next three years; 44% said yes, 27% were unsure and 29% said no.

The most popular types of workspace required were:

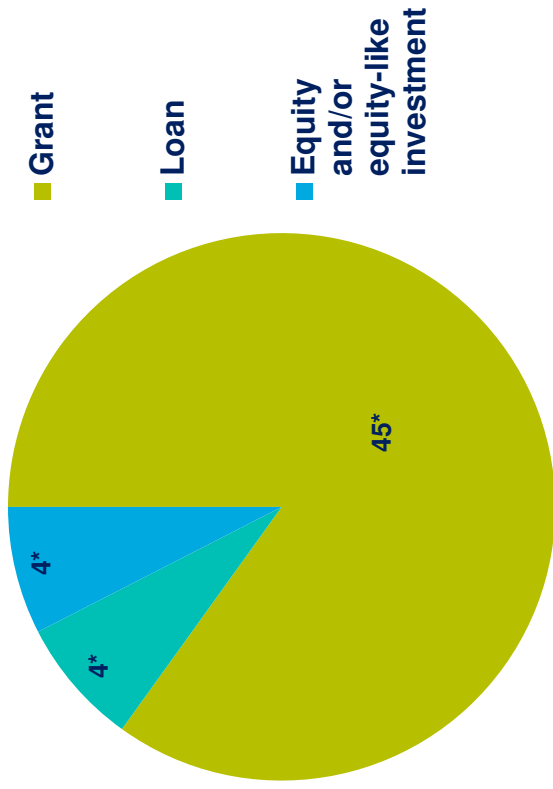
- Light industrial or workshop: 14: 33%
- Office space: 11: 26%
- Co-working (working independently or collaboratively in shared office space): 10: 23%
- Studio: 8: 19%

Respondents were then given the opportunity to give qualitative background to their answers if they answered no or unsure, these are the main themes that arose:

- **Already have it:** 44% - “We already have this in place due to partnership with British Land.”
- **Unaware this help was available:** 17% - “I have no idea what this means, what it is or how to go about it.”
- **Uncertain of business requirements in the next 3 years:** 22% - “Possibly, if we need another base in another area of Southwark...”
- **Nature of Business:** 17% - “My team and I have always worked from home/remotely, but as we grow we may want office space.”

Need and demand for financial support

What type of financial support do you need?



*numbers in pie chart relate number of respondents to this question

The chart shows a need for financial support with 53 respondents answering this question. When given the opportunity explain **why** they wanted financial support the main themes were as follows;

- **Achieve more / growth:** There was a clear ambition to expand services and products across all types of enterprises. Strategies to implement this ranged from hiring more staff, to extending opening hours and buying new equipment.
- **Start their enterprise:** This response came through from respondents in the pre-trading category.

Respondents had a preference for access to grant funding with **85%** of respondents preferring that type of financial support. Qualitative analysis of the answers showed why, with the main reason being a desire not to have to pay the money back and take on debt.

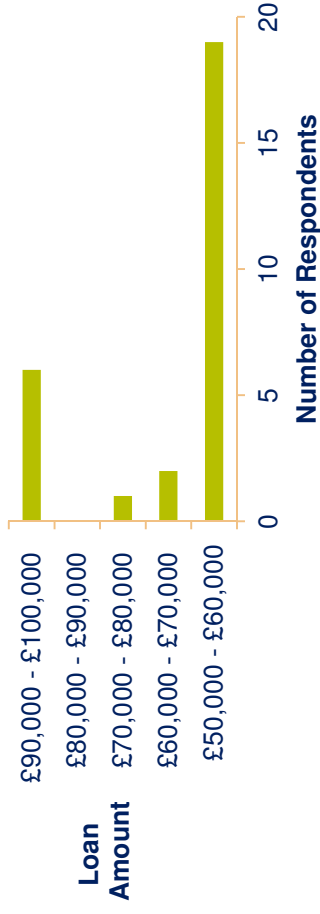
Growth – “Additional funding could be pivotal in aiding cash flow and enabling us to build on the exponential successes of our first year”

Start Up – “I have an innovative idea about coffee roasting and supply but I don’t have funds to start”

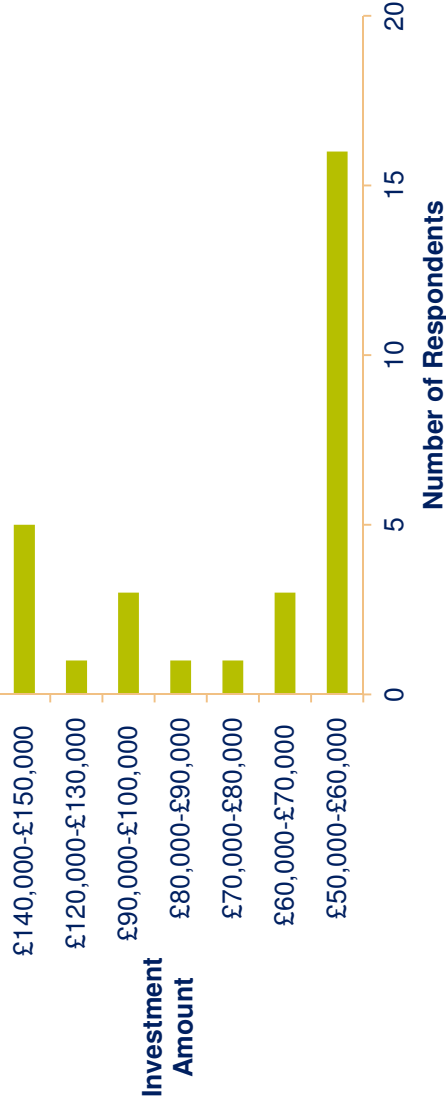
No Debt – “A grant would be better suited to our needs, as the income we generate is limited, so we do not need the additional outgoings of a loan repayment.”

Demand for loans and equity type investment

If you were applying for a *loan*, what amount would you apply for?



If you were to apply for *equity and/or equity-like investment*, what would you apply for?



Loan Amount: Breakdown

£50,000 - £60,000 – 19: 68 %
 £90,000 - £100,000 – 6: 21 %

- Of the enterprises preferring the larger amount, these were larger organisations and more likely to be commercial.
- The comments on this question show that there is also an appetite for **smaller loans**, if loans “up to £10,000” was an option 12% of total respondents would have opted for it.

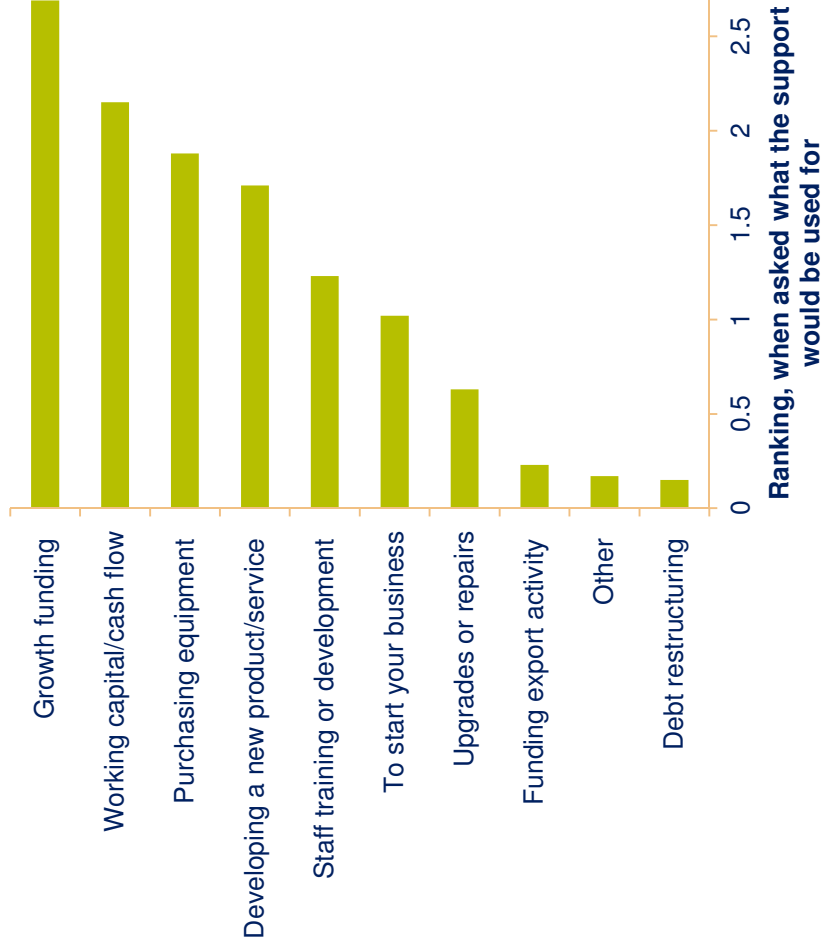
Equity Amount: Breakdown

£50,000 - £60,000 – 53 %
 £140,000 -£150,000 – 17%

- 100% of the Charities that wanted this type of investment wanted £50,000 -£60,000.
- 60% of the small commercial enterprises wanted investment of over £120,000.

There were 28 respondents to the loan question and 30 for the equity question regarding the amount respondents would apply for if they were to apply for this type of financial support. This differs to the previous slide regarding what type of financial support respondents consider they need.

Respondents' use of financial support



The graph shows that financial support would be used primarily to invest in growth funding and to contribute towards working capital.

We then asked participants what **other types of support** would be useful (further to what the Fund intends to offer). Respondents identified the following areas:

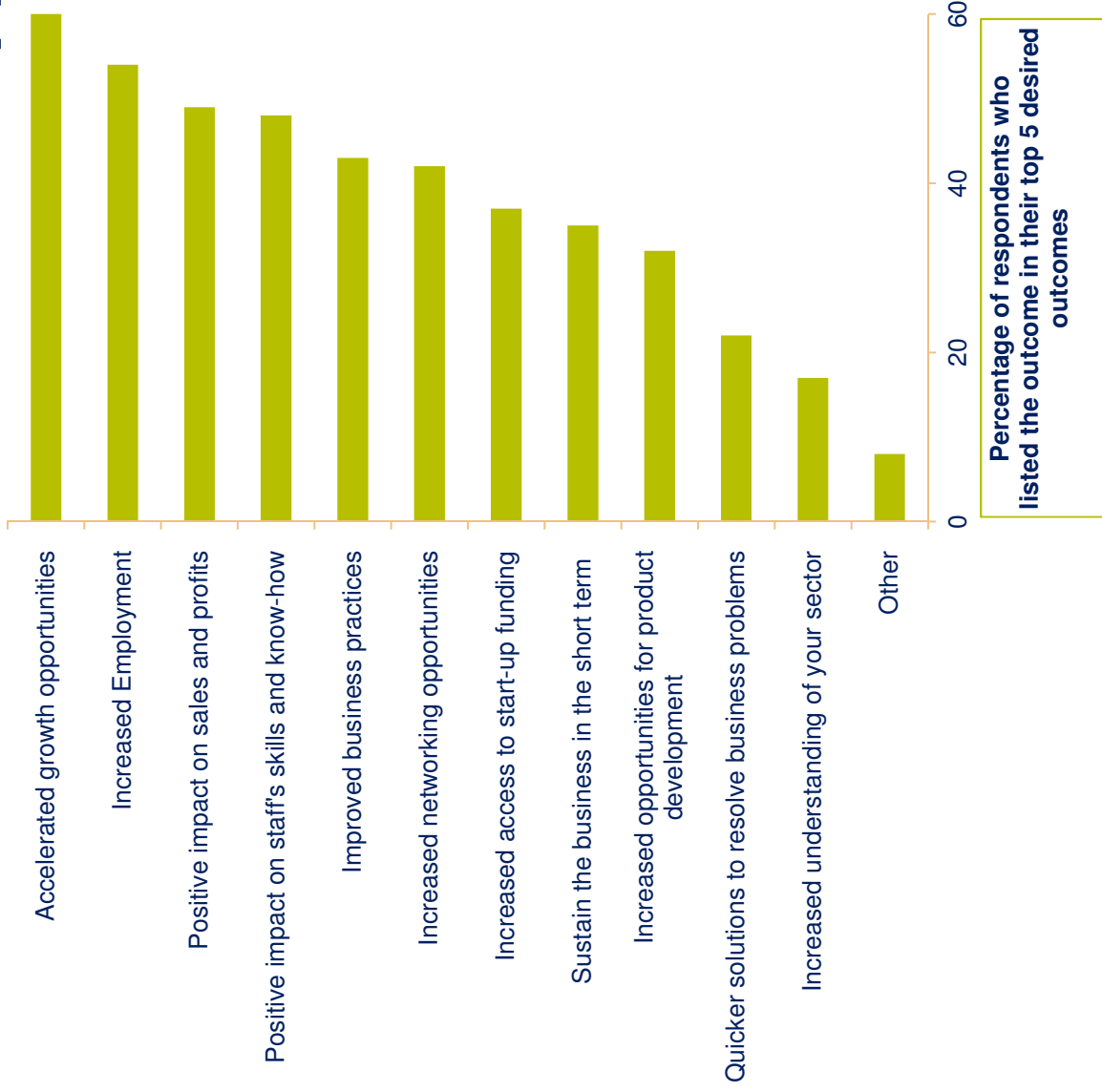
- 1-2-1 mentoring advice (37%)
- A desire for the fund to promote networking and collaboration between local enterprises (30%)
- Access to a key contact within the Fund (15%)

In summary, respondents wanted a **human element** to the Fund. There was a clear understanding that just being given money alone wouldn't be sufficient to support the enterprises, they wanted someone to advise and steer them through the process of growing their operations.

Themes

- **Access to key contact for the fund:** "Open, honest and trusted relationship building with the Fund to allow for genuine mutual learning, development and opportunities to maximise impact for all. This could be provided by grantees, for example, having a key contact at the Fund throughout the term of the grant."
- **Mentoring / list of contacts:** "Giving people money without support is risky - for them and for the council! Investing in tailored support means the enterprises are likely to survive longer, and be in a position to really generate wealth in the borough not to mention repaying loans."

Desired outcomes from financial and/or non financial support



This reinforces previous findings that the support from the Fund would be used to pursue growth opportunities. Increased employment was second most desired outcome with 54% of respondents wanting to see it as an outcome of the support provided to them.

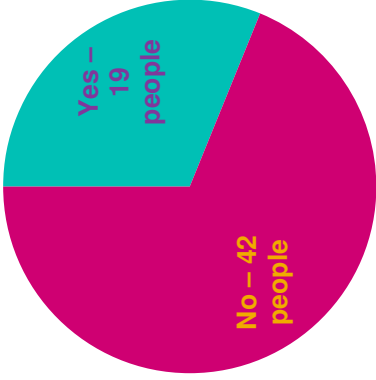
Comments show the altruistic nature of some of the enterprises and the desire to have more of a positive social impact as a consequence of the support.

“Funding would enable us to expand and improve our work with residents of the Borough.”

“Secure the financial future of the charity and continue to deliver and improve employment, benefits and entrepreneur support.”

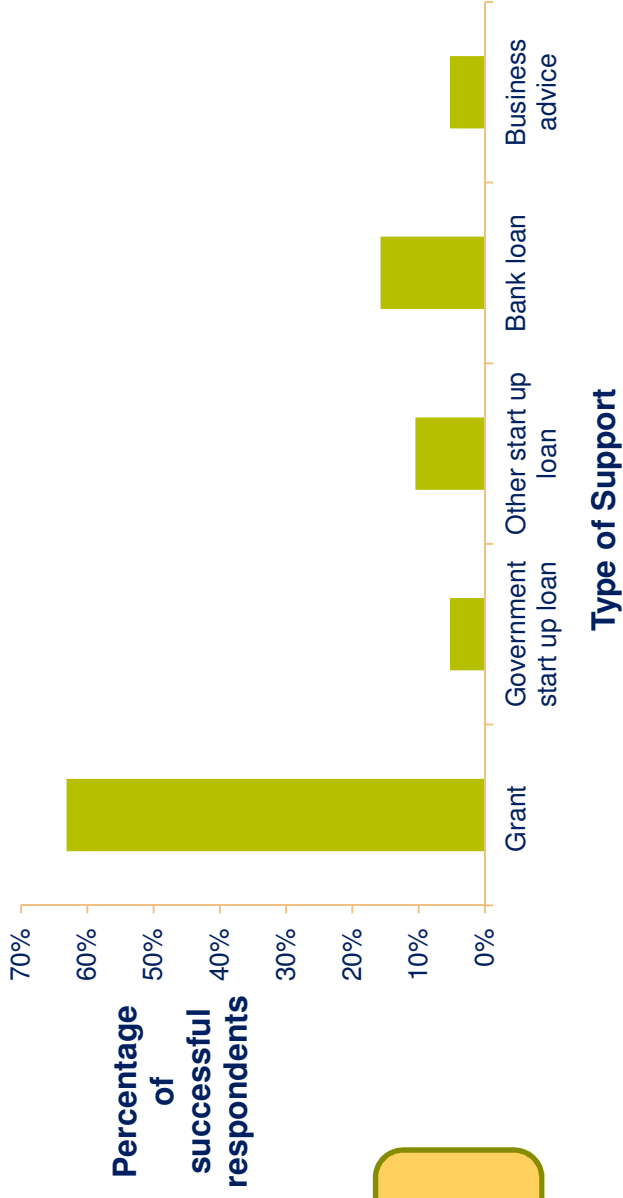
Previous financial and/or non financial support sought

Have you applied for support before?



Of these applications **52%** were successful and **48%** were unsuccessful.

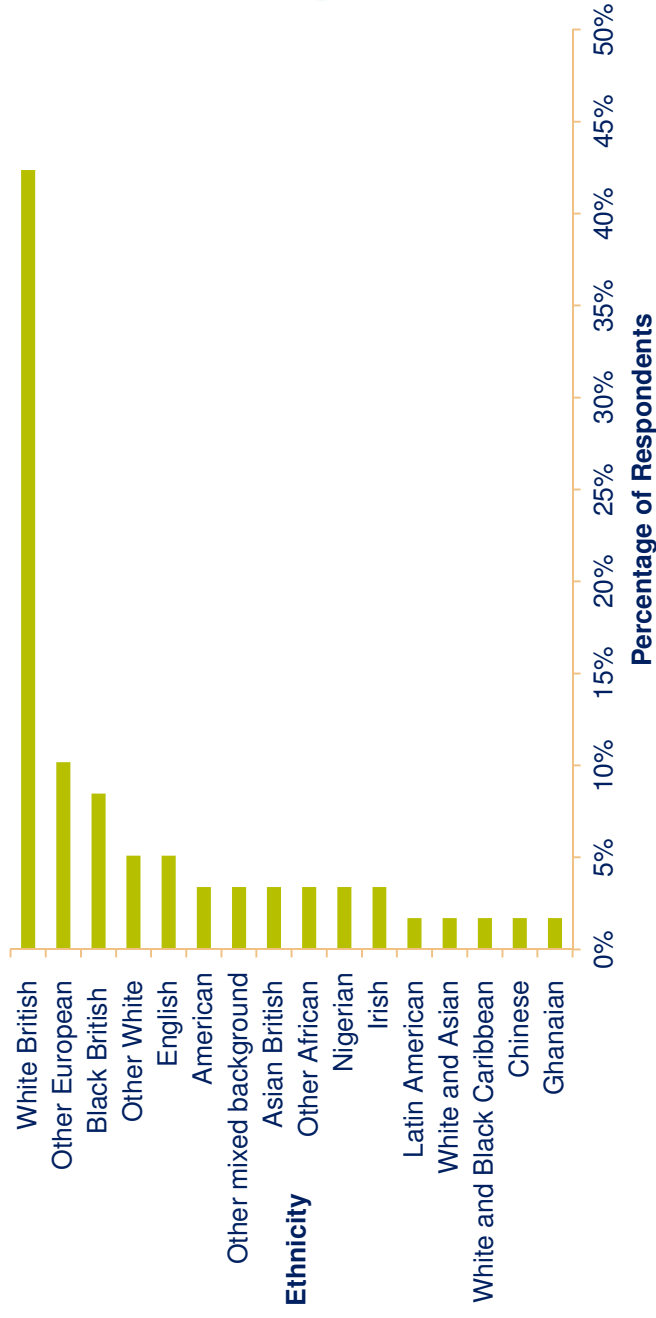
If successful in applying for support, what type of support did you apply for?



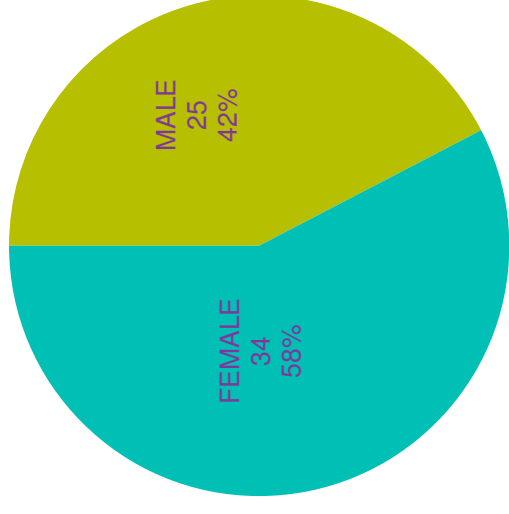
With 31% of respondents having applied for funding before and a 52% success rate, this means that only 16% of respondents have been successful in securing support previously. This suggests a need for help with 'funding / fundraising proposals' which was highlighted as the most needed type support in a previous question (see slide 4). Enterprises have also shown a desire for *non financial* support such as 'tailored one-one advice' or help with 'partnership development' (see slide 4). However, only 6% of respondents who have received support before have had this particular type of support.

Section 3 - Equality and diversity

Ethnicity of respondents



GENDER



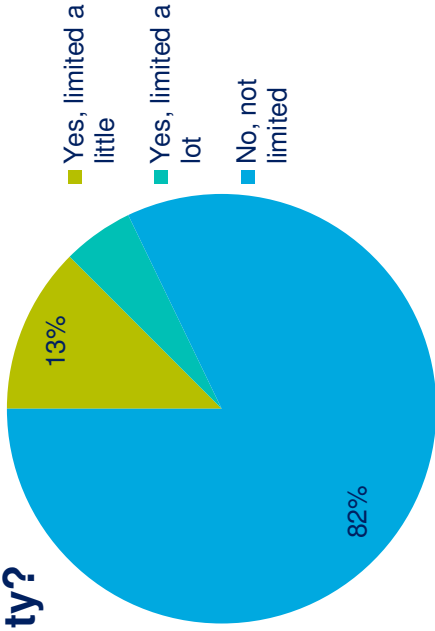
AGE

16 - 17 - 1
 18 - 24 - 4
 25 - 34 - 18
 35 - 44 - 13
 45 - 54 - 8
 55 - 64 - 14
 65 - 74 - 2

The ethnicity of respondents largely reflects the make up of the borough. Just over half (54%) of Southwark's population is of white ethnicity, a quarter (25%) black and a third of Asian (11%) or other (10%) ethnicities (JSNA factsheet 2018-19, see Appendix). The median age of the borough is 33.1. In this survey, it is 41.8. Females are well represented in this survey, and comments show that they are attracted by the flexibility offered by running their own enterprise.

Section 4 - Disability, Language and Location

Do you have a disability?

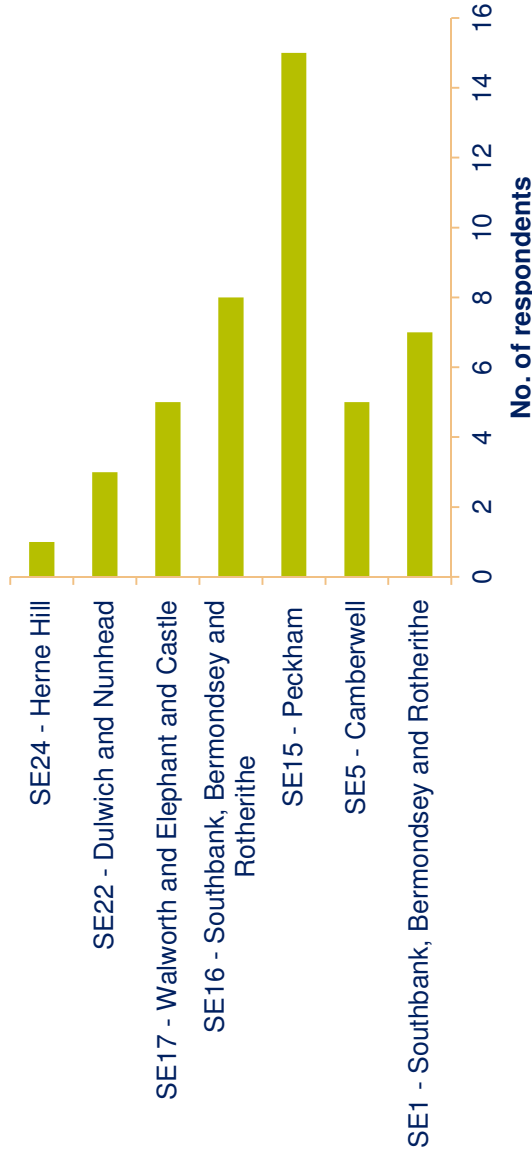


Physical mobility issues and Mental health were identified as the main types of limitations.

English was identified as the preferred language (94%)

Respondents' locations show clustering towards Peckham and the north of the Borough.

Location



Summary and Conclusions

Need for support - This survey shows that respondents in the borough want support for their operations with 70% saying that they will be applying for the Fund's support in the next three years. The main barriers to accessing current support are not being aware of what's out there and not being sure if they are eligible.

Type of support – Funding and help with funding proposals was the most in-demand support. There was also a desire for a human element to the support such as tailored business advice, access to a key contact for the fund and events that encourage collaboration across different industries and within local communities.

Financial support – Grants were the preferred choice of financial support amongst respondents, mainly due to a preference for not taking on additional debt. Respondents expressed a desire for smaller loans and equity-type investment with the £50,000 to £60,000 amount most popular for both types (68% - loans and 53% - equity).

Workspace – A significant number of respondents wanted access to affordable workspace (27: 44% answered yes and 17: 27% were unsure). Some respondents who answered no or who were unsure cited a lack of awareness for this type of support.

What the Fund's support would be used for – The front runner here was “growth”. This suggests respondents want to expand their operations. This was followed by an aspiration to “increase employment” and “increase sales and profits”.

Equality and diversity – The survey's respondents largely reflected the make up of the borough.

Nature of respondents' enterprises - There was a good mix in the type and size of enterprises. Charities (27%) and social enterprises (27%) were particularly well-represented.

Appendix

**Overview of Southwark's Population JSNA Factsheet., Southwark's
Joint Strategic Needs Assessment., People & Health Intelligence
Southwark Public Health. July 2018.**