



Valuing Your Views

**Pembrokeshire SME Survey 2006
Final Report
(Comparative Analysis)**



Prepared for: Pembrokeshire County Council

Prepared by: Wavehill Consulting

1. Introduction

In September 2003, Pembrokeshire County Council (PCC) employed Wavehill Consulting to undertake a survey of SME Businesses across the county of Pembrokeshire. In January 2006, Wavehill were again asked to repeat this exercise to generate a comparative study in order to see how the views, needs and wants of local business have changed in the intervening years.

1.1 Background

The initial survey of September / October 2003 was devised in consultation with PCC and its key partners. The questionnaire was designed to gain the views of SMEs on the following areas:

- Business Support
- Information Technology
- Policies & Plans
- Business Confidence
- Your Business

The views of businesses will often be a reflection of the economic climate in which they are operating. Therefore, in order to give this report a context to be viewed in, below are some key economic indicators that help paint a picture of the economy in Pembrokeshire and the UK in September / October 2003 and March 2006. It has not been possible to match all the statistics to the months in which the survey took place, however we have endeavoured where possible to do this.

Economic Indicator	2003	March 2006	Change
Inflation (RPI)	(Mar) 1.9% ¹	(Mar) 2.4%	Up
Interest rate	3.5% ²	4.75%	Up
Unemployment in Pembrokeshire	(Mar) 3.8% ³ (Sept) 2.5%	(Mar) 2.4% (Sept 05) 2.5%	Down
Economic Inactivity	26.4%	26%	Down
Fuel Price: Petrol	76.9ppl ⁴	90.3ppl	Up
Fuel Price: Diesel	77.9ppl ⁵	94.9ppl	Up
Average House price (Pembs)	£122,730	£156,400	Up
Average Wage (Pembs)	£324.9 per week ⁶	£343.4 per week	Up
Rate of Growth for UK economy	2.75% ⁷	1.8% (2005)	Down

1.2 Consultant's Comments

The shape of the UK economy has changed and probably deteriorated, with higher interest rates, some stealth taxation, higher fuel prices and a slowing in the property market. This leads to deterioration in disposable income and is particularly sensitive for businesses based around tourism and leisure.

¹ Figure from Bank of England Report

² Figure from Bank of England Report

³ Figure from NOMIS

⁴ Figure from AA Fuel Price Report

⁵ As above

⁶ Figure from NOMIS

⁷ Figure from Bank of England Report

The 2006 survey has revealed that although businesses are confident looking forward within the survey, we can see some areas that may be of concern appearing in recruitment of staff, accessing business support and levels of training for the Wholesale & Retail sector. These areas need to be monitored and our conclusion is that the Pembrokeshire Business Survey shows that confidence remains high; however the some business indicators are starting to weaken.

2. Methodology

Wavehill feel that with an important survey such as this where the bulk of the findings will be based on the survey results that time and expertise should be spent developing the questionnaire, making sure the sample is statically representative, training our in-house call centre operatives and testing the questionnaire.

For the March 2006 survey, Wavehill and PCC used the September 2003 questionnaire as the basis for this survey. This has allowed us to use the analysed data from the September 2003 survey as a baseline position and the March 2006 results as the updated position.

However, to ensure the robustness of the questionnaire for use in March 2006, a workshop was held with interested parties in order to ascertain which questions were relevant; developing new questions where appropriate and which questions, if any, needed rewording to bring them up to date.

The sample of businesses that was used in this present survey was from the same database as used in the previous study, in order to give some continuity to the process.

All interviews were conducted over the telephone by Wavehill's call centre staff using an Access database developed from the questionnaire. This process allows for ease of data inputting and the analysis of that data once the survey has been completed.

Wavehill endeavoured to ensure that the stratification of the sample of businesses used in March 2006 was a direct reflection of the September 2003 survey; this allowed for ease of comparison and gave robustness to the survey process. This was achieved by ensuring the same spread of businesses across industry type, length of time established, annual turnover and geographical location (postcode). The sample size was also directly comparable with 802 businesses interviewed in 2003 and 807 in 2006.

Wavehill's quality assurance procedures ensured that the final data sample was as robust as possible; to achieve this all incomplete interviews (42) were discarded.

Throughout the survey process Wavehill also kept a record of the number of attempts that had been made to contact a business; this survey had a call back rate of 3 to gain one interview.

2.1 Interview Centre (call centre) Training and Accuracy of the data and Response rates.

One of Wavehill's key strengths is achieving large completed interview sample sizes, which in turn results in highly accurate data. All our telephone interview centre operatives are employed by Wavehill and have undertaken very similarly types of surveys in the past. We ensure that our interviewers are properly briefed and will receive a half-day training session with regards to the strategic context and objectives of any survey.

This has a direct impact of the accuracy of the data captured and the interviewer is asking the questions with a good understanding of the strategic context of the survey.

2.2 Pilot Test Interviews

Prior to the full commencement of the field work, Wavehill ran a series of 5 - 10 pilot interviews to test the following:

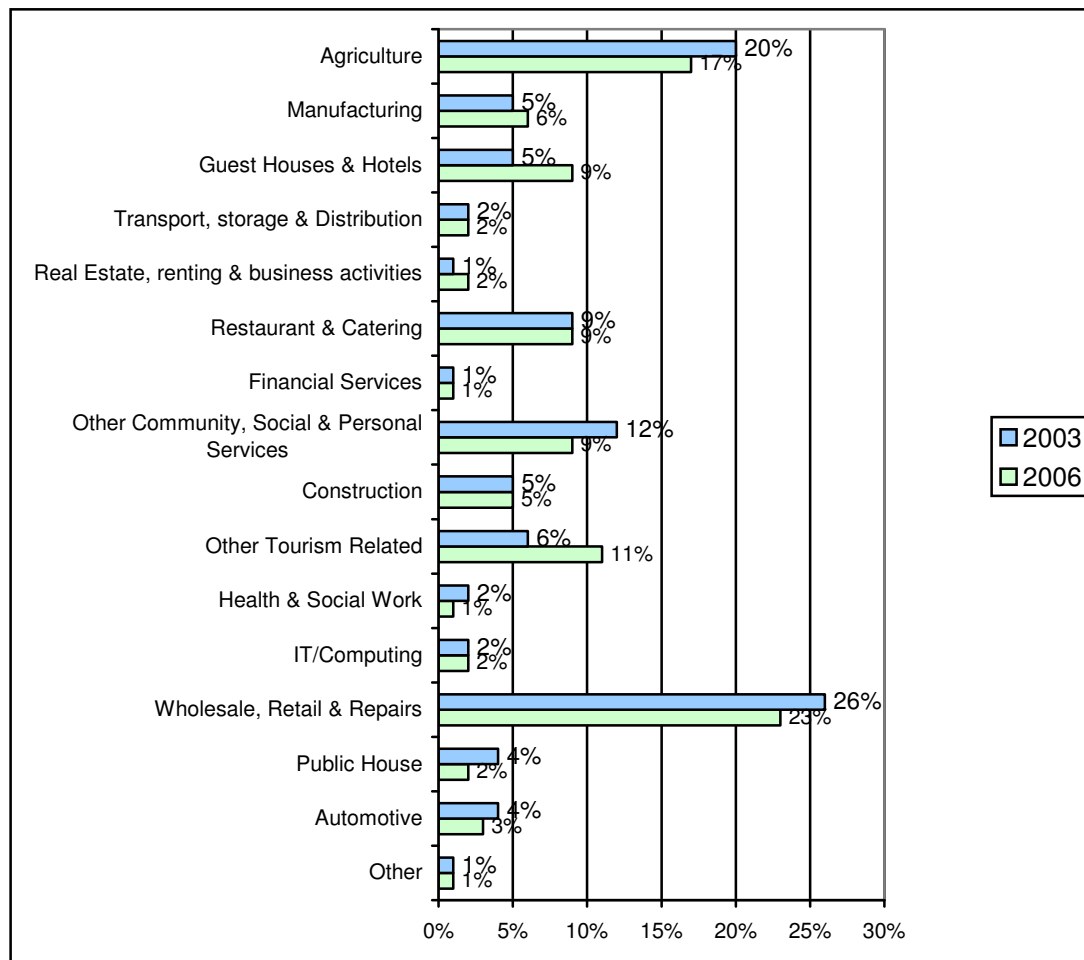
- Timing
- Question filtering
- Question flow
- Language used (i.e. simple and easily understood)
- Overall respondent reactions

2.3 The Welsh Language

Wavehill are aware of the importance of the Welsh Language in Pembrokeshire. Therefore, 70% of our call centre staff is Welsh speaking and interviewees were offered the opportunity to undertake the interview in Welsh if this was their preferred option.

2.4 The Sample

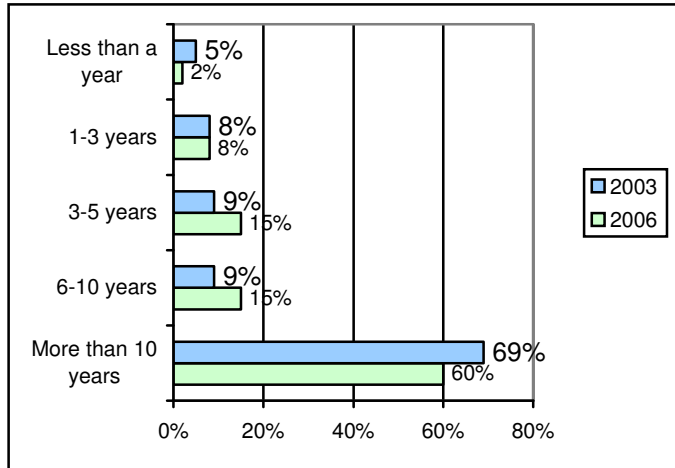
In order to ensure a good spread of business types in our sample we asked: ***“What is the nature of your business?”***



Source: Wavehill Telephone Survey 2003 & 2006

We also tried to ensure as far as possible that our sample was as close to that used in 2003. There are slight differences, for example fewer Agricultural businesses and Wholesale, retail & Repairs, and an increase in Guest Houses. However, overall the sample is a good reflection of the previous study and should allow for robust comparison.

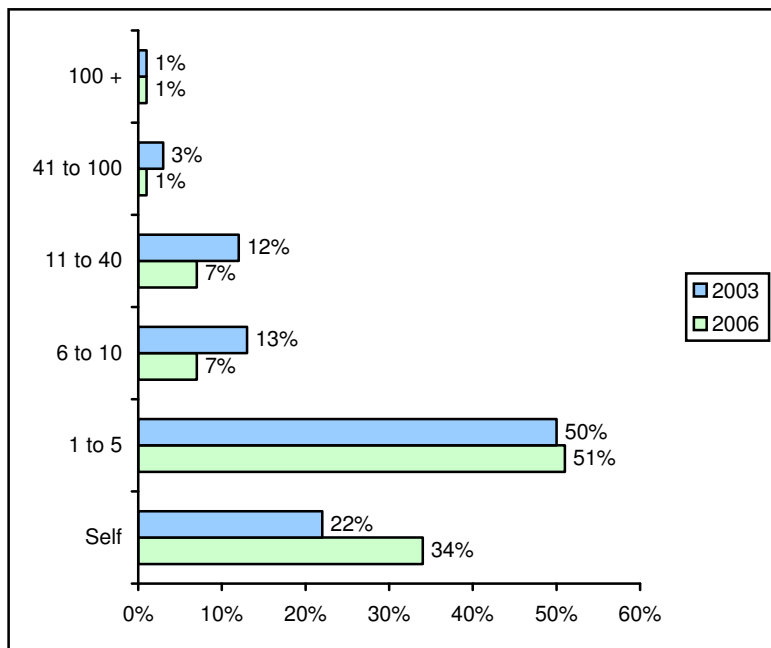
We then asked: “How long has your business been established in the area?”



This graph shows that the sample used in the 2006 and survey was comparable to the sample used in 2003.

Source: Wavehill Telephone Survey 2003 & 2006

In order to ascertain the size of the businesses within the sample we asked: “**How many employees do you have?**”



This graph shows that there is a difference in the size of companies interviewed in 2006 to those surveyed in 2003. The main variance occurs in the percentage of self employed, the variance is:
Self: +12% overall across the survey sample but a 54% rise as a direct comparison.

Source: Wavehill Telephone Survey 2003 & 2006

These figures do not show a great decrease across the survey sample, however if these figures are representative of a trend in the composition of the Pembrokeshire business community, it should be investigated further as it would suggest that there is a definite fall in the SME heartlands particularly the 6-10 employees category and a rise in self employment.

The 6-10 category above moves from 13% to 7% - this is a fall from 2003 to 2006 of 6% across the survey sample but a 46% fall within that single category. This is also the case for the 11 to 40 category where there is a 42% decrease.

However, according to the Barclays Small Business Survey, in 2003/04 Pembrokeshire had the highest rate of new business start ups in the UK. This linked with an increase in business confidence in the county may have led to an increase in the confidence to become self employed.

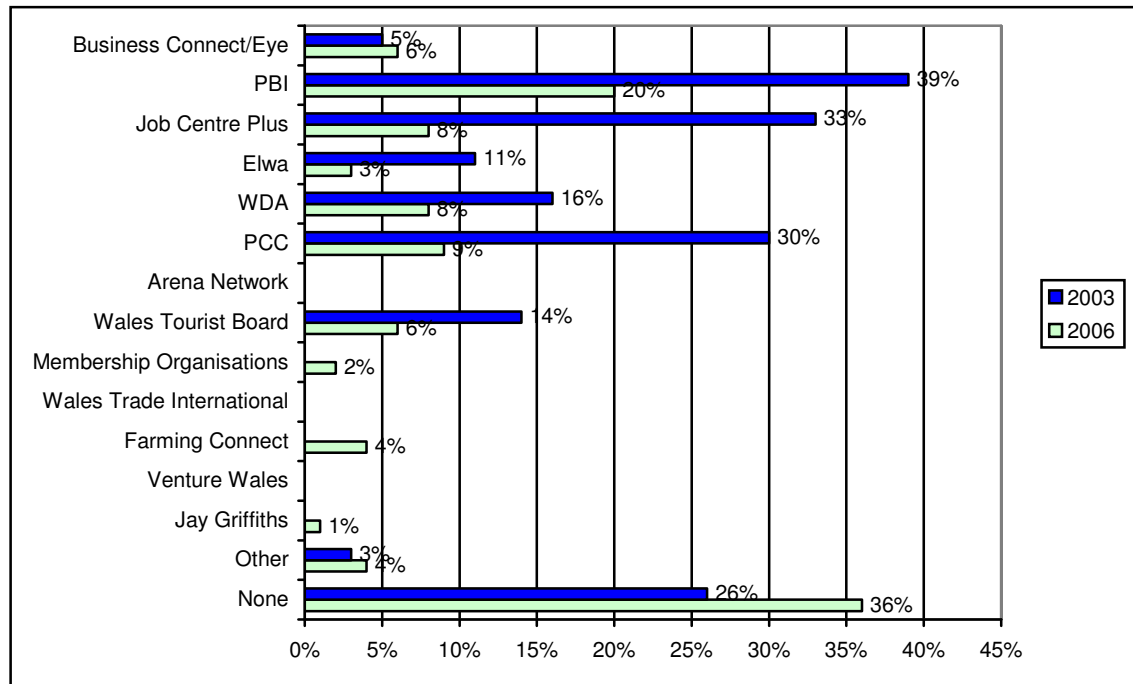
3. Comparative Data Analysis

This section of the report contains a representation of the data gathered during the surveys undertaken in September & October 2003 and March & April, 2006 and considers the changes, if any, in perception that have occurred during the intervening 30 months. The order of the questions in this main section of the report is as agreed for the 2006 questionnaire.

Throughout this report the baseline figure from the 2003 survey is represented in blue and the 2006 updated figure in green.

3.1 Business Support

Firstly we asked; **“Have you ever contacted any of the following local Business Support Agencies?”** (Some respondents gave more than one response.)



Source: Wavehill Telephone Survey 2003 & 2006

The table below shows the details of those in the 'Other' category

- NFU x 16
- Pembrokeshire College x 3
- Federation small businesses x 3
- Other x 3
- Countryside Council for Wales
- Menter a Business
- Welsh Assembly Government
- Womens Enterprise Wales
- Broker Cymru
- Carmarthen County Council
- LANSCA
- Member chamber of trade & Fed Small Businesses
- Pembrokeshire Tourism
- Pentagon Assistance
- Yacht Club Association

The above graph shows a significant decrease in contact rates for some of these agencies. Consideration needs to be given to the reasons behind this decrease. It could be suggested that during the 2003 survey there was a more aggressive approach by these agencies caused by the delivery and marketing cycle of Objective 1 projects beginning at the time. This is now diminishing and the above figures may reflect this. PCC has expressed an intention to undertake this survey again in 2009; at this point the area will be at a similar point in its funding cycle to that in 2003 and therefore this will provide an opportunity to ascertain whether the cycle of funding is directly linked to the level of contact with support agencies.

Further research has failed to uncover any evidence of a similar pattern emerging either nationally or on a local area basis in other parts of the UK. However, this does not mean that it is not the case. An evaluation has been undertaken into improving access to business advice in rural areas and this may prove a useful tool for future planning.⁸

Of those businesses that had contacted the business support agencies, we asked further questions in order to find out about their experience of dealing with these agencies. Firstly, we asked: *(If have contacted any at Q1) "What support did you expect/hope to receive?"*

Business Eye

- Advice on grants/financial assistance x 13
- General Advice x 9
- Advice on business start up x 8
- Advice on farming x 4
- Advice on IT x 2
- Advice on planning permission x 2
- None x 2

PBI

- Advice on grants/financial assistance x 69
- Advice on business start up x 44
- General Advice x 53
- IT Advice x 26
- None x 14
- Business development/expansion x 13
- Courses/training x 13
- Not sure x 3

Job Centre Plus

- Staff recruitment x 48
- None x 12
- Benefits / Employment advice x 5
- Employment Law x 2

ELWa

- Training / Courses x 46
- Grant/funding x 12
- Apprentices x 4
- None x 2

Welsh Tourist Board

- Applied for grant x 31
- Bookings x 22
- Advice x 17
- Accreditation / Membership x 13
- Advertising x 13
- Grading x 2
- None / not much x 4

⁸ Further reading: *"Improving Access to Business Advice in Rural Areas: an Evaluation Kingston University 2005"*

WDA

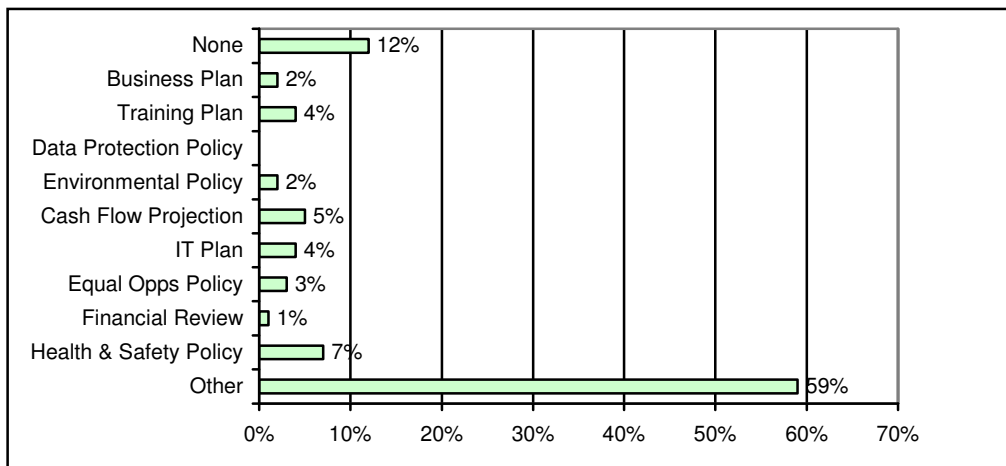
- Grants / funding x 64
- General advice x 18
- Business / Project development x 9
- None x 8
- Farming Connect x 6
- Premises x 1

PCC

- Grants ' Funding x 32
- Planning x 29
- Advice / Information x 28
- Council Tax / Business Rates x 21
- Refuse / waste x 20
- Licenses x 19
- Not Sure /none x 17
- Various things x 14
- Business Support /Advice x 11
- Highways Dept x 8
- Environmental Issues x 7
- Tenancy x 2

This question was not asked in the 2003 survey so it is not possible to give any comparative analysis.

It is apparent from this survey however, that grants advice and applications is the main issue that people are drawn to these agencies for. When we consider this in conjunction with the next question that was asked: ***“What support were you actually given?”*** it becomes clear that businesses receive a wide range of business advice and some financial (capital) grant assistance.



Source: Wavehill Telephone Survey 2006

Other details

- General Advice and guidance x 106
- Advice on grants x 91
- IT support /training x 67
- nothing x 33
- Don't remember/ can't say x 32
- Financial advice x 28
- Job advertisement /vacancy x 29
- Capital purchase for equipment x 22
- Marketing / Advertising x 21
- Advice on insurance x 17
- Publicity x 16

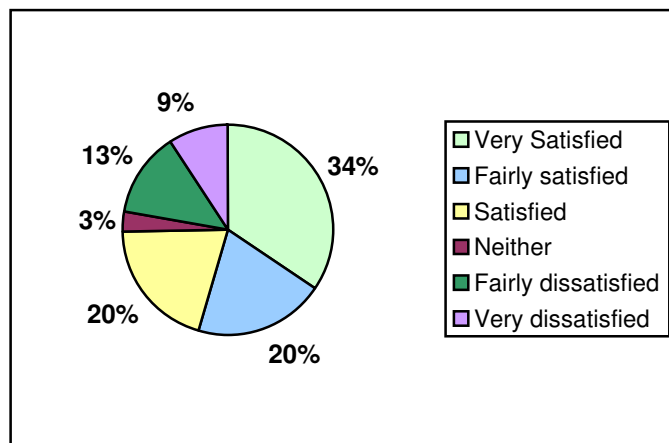
We then asked: “**What was the motivation behind developing this plan/policy?**” There were a wide range of responses to this question, but they can all be placed in the following categories:

- Planning for Expansion x 98
- Improve business x 84
- Updating IT equipment/expertise x 63
- Starting a business x 56
- Increasing profits x 33
- Don't know / can't say x 32
- General enquiry x 32
- A need to advertise /market x 27
- Grants x 24
- Needed staff x 11
- Complying with law x 9
- Planning to diversify x 3

This question was not asked during the 2003 survey so it is not possible to give any comparative analysis.

These responses from the 2006 survey however, show that a large proportion of businesses are looking to grow and improve as their motivation, these are positive responses and show that there is a desire to expand and improve amongst Pembrokeshire businesses.

Finally, in this section we asked: “**How satisfied were you with the support/help you received?**”

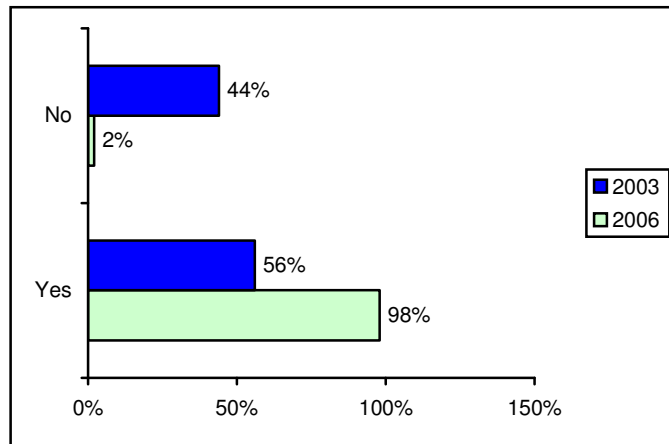


Source: Wavehill Telephone Survey 2006

This graph shows a high level of satisfaction with the support that interviewees have received with 74% of respondents being ‘**Very Satisfied**’, ‘**Fairly Satisfied**’ or ‘**Satisfied**’.

This question was not asked in 2003 and therefore it is not possible to do a comparative analysis.

For those businesses that had no contact with business support agencies, we asked: **“Before this interview, did you know that you could go to these agencies for business support services?”**



There is a high level of variance between the results of the 2003 and 2006 surveys. That is:

Yes: +42%

No: -42%

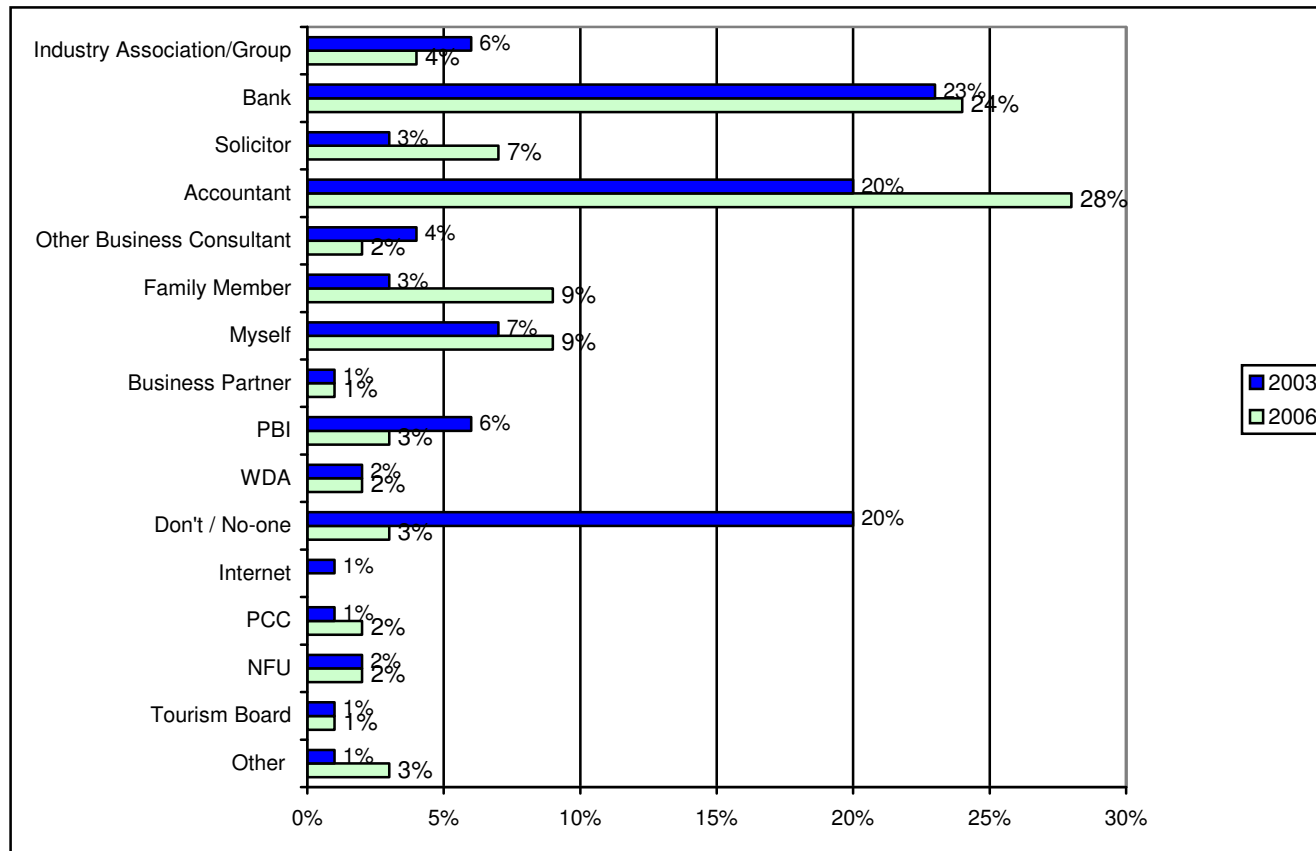
Source: Wavehill Telephone Survey 2003 & 2006

This graph clearly shows that awareness of the business support agencies is much higher among non-users in 2006 (98%) than it was in 2003 (56%).

This is a large increase and may show that the agencies have been more proactive in publicising the support and services that they offer.

When we consider the results to this question in conjunction with the apparent decrease in use of business support agencies (**“Have you ever contacted any of the following local business support agencies?”** page 4) this may be an indication that there is a ‘negative’ take up of services among the business community. However, this is difficult to interpret and may be a direct result of where Pembrokeshire is currently in the funding cycle.

In order to find out whom businesses rely on for immediate advice and support we asked: **“Who do you go to first when you need advice/support with your business?”**



This graph shows an increase in the percentage of businesses that visit their **accountant** (20% in 2003 has risen to 28% in 2006), for immediate advice and support, and a marked decrease (20% in 2003 to 3% in 2006) in those businesses that responded **‘don’t or no one’**

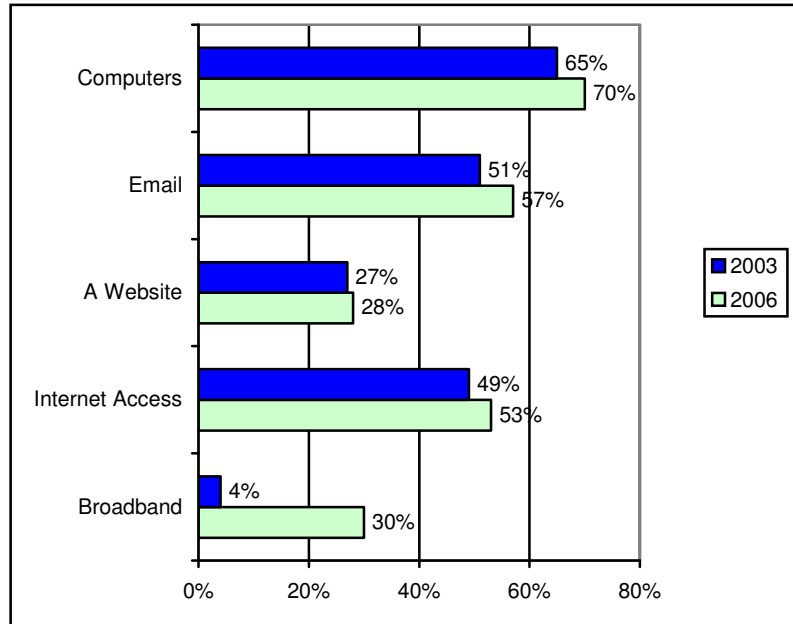
The variances of note from this question are:

Accountant: +8%
Don't / no one: -17%

Source: Wavehill Telephone Survey 2003 & 2006

3.2 Information Technology

To begin the section of the questionnaire on information technology we asked a question to ascertain the IT facilities that the businesses currently have: **“Which of the following does your business have?”**



The variance for these questions is:

Computers: +5%
Email: +6%
Website: +1%
Internet: +4%
Broadband: +26%

Source: Wavehill Telephone Survey 2003 & 2006

This graph contains the results for five separate questions that were used during interview. Therefore the percentages for each section are the results for one question e.g. in 2006, 70% of those interviewed had a computer and in 2003 65% of those interviewed had a computer.

The above graph shows an increase in access to IT across all areas; however the most significant change is a marked rise in the number of businesses with access to broadband, with only 4% in 2003 rising to 30% in 2006. As one of the aims of the 2003 survey was to generate interest in broadband and to achieve the required trigger numbers for Pembrokeshire to become broadband enabled, this graph shows that this objective was achieved and that PCC has also been successful in terms of increasing the number of businesses in the county with access to broadband.

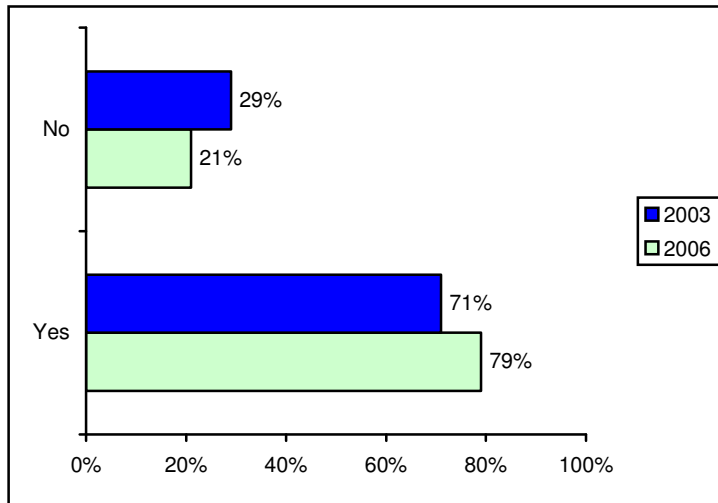
Cross tabulation of the data showed that there was a difference in website ownership by industry sector. Most noticeably there was a higher than average ownership in the following sectors (average 28%):

- IT/Computing 92%
- Guest Houses 52%
- Other Tourism related 52%
- Restaurants and Catering 30%

The one anomaly in this graph is the small rise in the number of businesses with a website. One would have expected that an increase in access to broadband, an increase in the number of website design businesses in the county⁹, and the high take up of assistance from Opportunity Wales would have led to a larger number of the sample having a website. It is possible that this may be an anomaly within the sample, however consideration should be given to this issue during any consequent surveys.

⁹ No figures are available for this, however PCC believe this to be the case

We then asked those businesses with access to email: **“Do you use email in the course of your normal business?”**



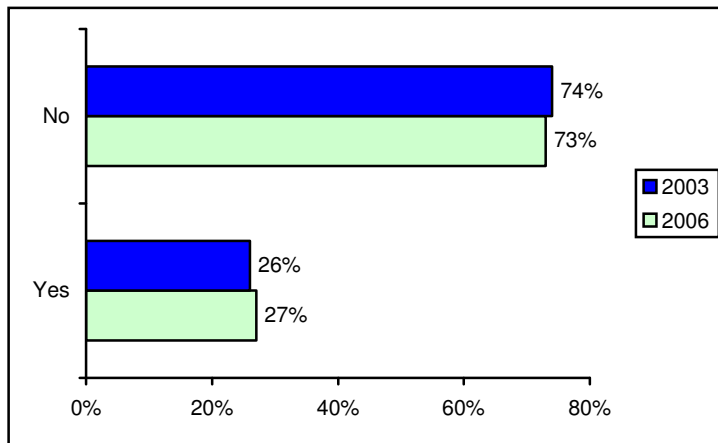
This graph shows that an increase in email use for business purposes from 71% in 2003 to 79% in 2006.

The variance is:

Yes: +8%

Source: Wavehill Telephone Survey 2003 & 2006

We asked businesses with a website: **“Can your customers buy directly from your web site?”**



The variance for this graph is

Yes: +1%

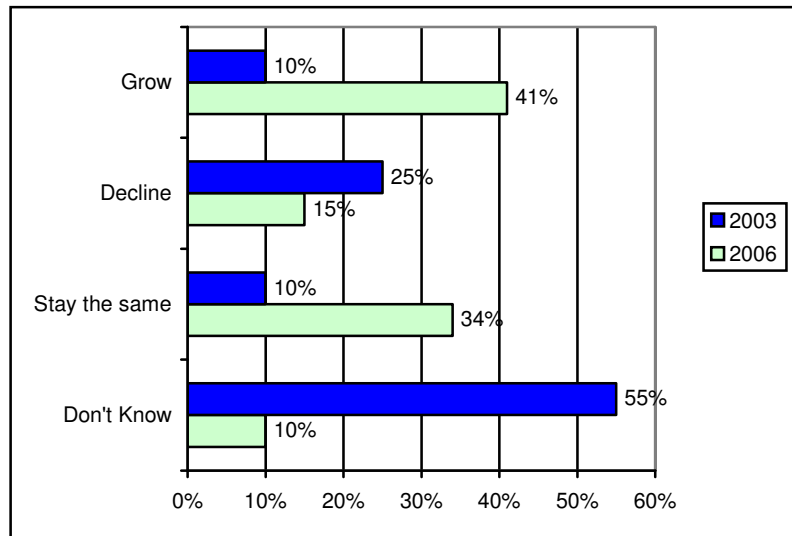
No: -1%

Source: Wavehill Telephone Survey 2003 & 2006

This graph shows that there has been no real change in the percentage of businesses that offer a website that customers can purchase from. The figure was 26% in 2003 and has risen to only 27% in 2006

3.3 Business Confidence

In order to measure business confidence in the coming year we asked: **“Do you anticipate that your sales and net profit (bottom line) will grow or decline in the next 12 months?”**



The variance for figures in this graph is:
Grow: +31%
Decline: -10%
Stay the same: +24%
Don't Know: -43%

Source: Wavehill Telephone Survey 2003 & 2006

This graph shows an overall increase in business confidence with 41% in 2006 anticipating that sales and net profit will grow in the next 12 months; this figure was 10% in 2003. It is also worth noting that more businesses had an opinion on this question in 2006 than in 2003 (54% answered **‘Don't know’** in 2003 and 11% in 2006) and this may have had some bearing on the overall figures.

Four times more businesses expect to grow, and there is a large decrease in the number that do not know. This is a good indicator that there is a greater level of certainty about the future; this mirrors the results of a nationwide business survey undertaken by the Institute of Chartered Accountants¹⁰ that also shows a strong optimism amongst businesses nationally.

To find out if there were any significant differences between industry sectors when responding to this question, we interrogated the data further. We found that the majority of sectors gave similar responses to the overall figure shown in the graph above, however there were some sectors that exhibited a marked difference; for example business confidence was much lower in the Agriculture sector with just 17% of respondents believing that their business will grow in the next 12 months. Conversely the following industry sectors were more optimistic than the overall average of 41%: Manufacturing (Grow: 57%), Health and Social Work (Grow: 67%) and most noticeably IT/Computing (Grow: 83%).

¹⁰ UK Business Confidence Monitor

In order to find out the reasoning behind these responses, we then asked all respondents:
“Why do you think this?”

Grow

- Improvements & Investment into business x 82
- Business is established/has been growing x 48
- General optimism x 47
- Improved marketing/advertising/reputation x 46
- General trend x 24
- Local economy improving x 15
- Increase in demand x 12
- Other x 9
- Hard work x 6
- Lack of competition x 3

These comments show that these businesses can see the benefits of investing in their business and the investment has been in staff and IT equipment

Decline

- General decline in industry x 18 (in particular farming)
- Retiring/illness x 18
- No. of customers has declined x 10
- General pessimism x 13
- Lack of capacity x 13
- Competition x 10
- Increase in costs/decrease in prices x 13
- Road works x 3
- Other x 3

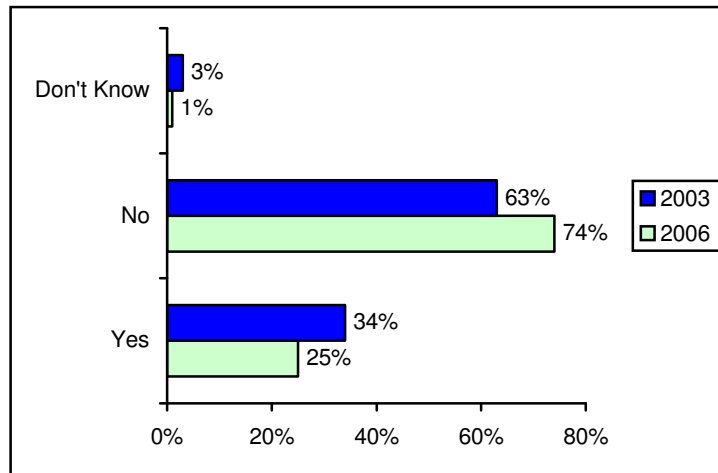
It is interesting to note that growing companies put it down to internal factors such as investment in business, better marketing, established name in market and not that the industry is improving, where those who think that their businesses will decline suggest that it is the industry that is declining which is an external factor.

Stay the Same

- Business has not changed x 29
- Business at capacity x 24
- Economic climate (general) x 22
- Other x 22
- Expected result on previous performance x 21
- Economic climate (industry) x 18 – (particularly farming)
- Increase in costs/decrease in prices x 17
- Competition x 15
- Need to improve to expand x 15
- Retiring/winding business down x 12

It should be noted that there is a distinct difference between businesses that have reached capacity and those that need to improve to expand. Those that have reached capacity are happy with the situation and do not wish to expand whereas those that see a need to improve will have to invest in their businesses to break the status quo. Within this sample there are also lifestyle businesses who will not wish to expand.

We then asked: **“Do you foresee a need to recruit more staff in the next 12 months?”**



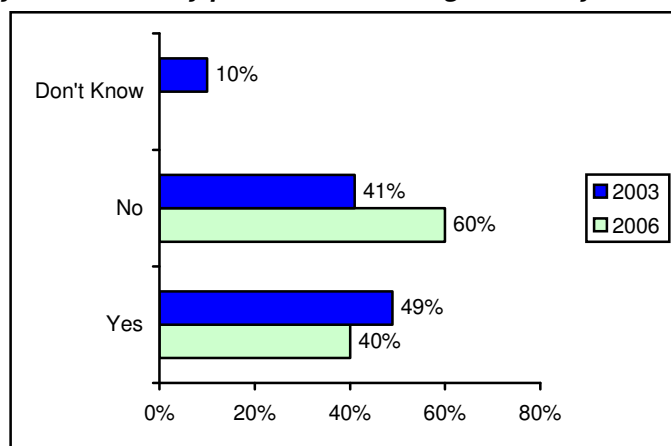
The variance for this graph is:
Yes: -9%
No: +11%

Source: Wavehill Telephone Survey 2003 & 2006

This graph shows that the percentage of businesses that expect to recruit more staff in the next 12 months has decreased from 34% in 2003 to 25% in 2006. If this graph is considered along with the high level of Business Confidence discovered earlier in the survey, we can surmise that businesses are optimistic with the same amount of staff in general. This in turn would suggest that companies are increasing turnover/profitability with the same resources which means they are more productive in general. This also corroborates the fact that less people are contacting Job Centre Plus.

To find out if there were any significant differences between industry sectors when responding to this question, we interrogated the data further. We found that the majority of sectors gave similar responses to the overall figure shown in the graph above, however there were some sectors that exhibited a marked difference; for example the need to recruit staff was much lower in the Agriculture sector with just 11%. Conversely the following industry sectors were higher than the overall average of 25%: Construction (39%), Restaurant and Catering (41%) and most noticeably IT/Computing (42%)

To those businesses that do expect to recruit in the next 12 months we put the question: **“Do you foresee any problems recruiting the staff you will require?”**



This graph shows an increase in optimism when recruiting staff with 41% not foreseeing problems in 2003 increasing to 60% in 2006.
That is a variance of:
Yes: -9%
No: +19%
However, all interviewees in 2006 gave a definite response, whereas in 2003 10% did not know.

Source: Wavehill Telephone Survey 2003 & 2006

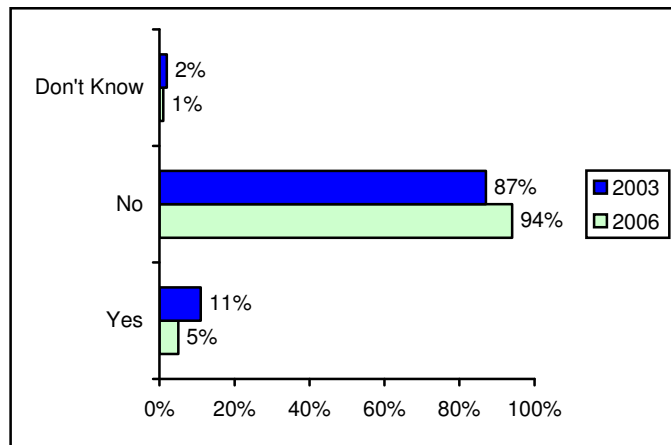
Statistics show that unemployment has fallen in Pembrokeshire which would suggest that there is a smaller pool of available staff to draw from. There is also anecdotal evidence of a rise in the number of workers coming to the county from Eastern Europe; on the whole these workers are being employed in the hospitality, agricultural and construction sectors of the business community.

We then asked those businesses that foresee encountering problems recruiting: **“What problems do you foresee?”**

- Availability of suitable staff x 33
- People don't want to work x 16
- Seasonality x 5
- Lack of training locally x 4

When we consider the businesses that see availability of suitable staff as an issue, 17 of the 33 respondents (52%) were from the Wholesale & Retail sector. The remaining 48% were evenly spread through other sectors. This suggests that workforce development training should be given consideration. When we consider these results with the fall in unemployment, there may be a suggestion that the workforce are less likely to apply for the lower paid and lower status jobs such as working in the retail sector where the positions on offer may be less desirable.

We then asked all interviewees: **“Are you likely to require new or larger premises in the next 12 months?”**



This graph shows a decrease in the percentage of businesses that are likely to require new premises in the next year from 11% in 2003 to 5% in 2006.

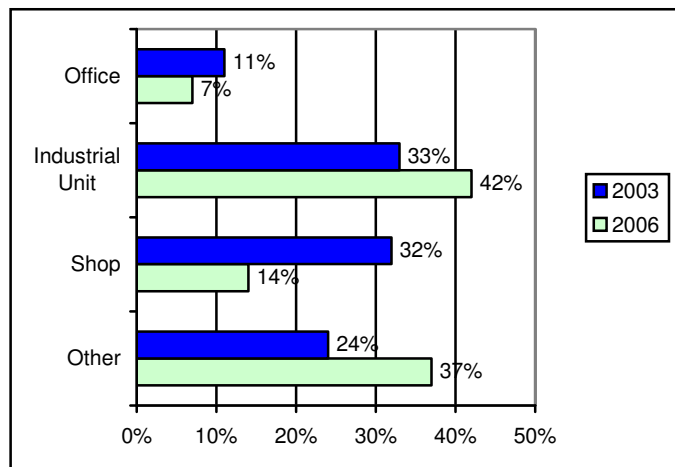
The variance is:

Yes: -6%
No: +7%

Source: Wavehill Telephone Survey 2003 & 2006

It is of interest to note that where there is less business confidence in 2003, more people were looking to relocate. This decrease in the desire to relocate may be attributable to the lack of premises available within the county which may have led to a lowering of expectations.

We then asked those businesses that anticipated needing new premises the following question: **“If yes, what type of premises do you require?”**



The variance for this graph is:

Office: -4%
Industrial Unit: +9%
Shop: -22%
Other: +13%

Source: Wavehill Telephone Survey 2003 & 2006

This graph shows a decrease in the percentage of businesses that are likely to require new shop premises in the next year from 32% in 2003 to 14% in 2006. It also shows an increase in the need for industrial units (33% in 2003 to 42% in 2006) and 'other' (24% in 2003 to 37% in 2006) Below is a detailed list of the requirements expressed in the category 'Other':

- Workshop
- Hotel / Guest House x 2
- Restaurant
- Smallholding
- trying to build chalets for fishermen on her land

The decrease in the number of businesses looking for retail / shop premises may be attributable to the lack of growth in this area. Below are some details of how retail sales were performing in 2003 and 2006.

Retail Sales in 2003

In the three months Jan to March 2003, retail sales grew by 0.7% per cent compared with the previous three months. Growth in the three months to March 2003 was 3.5 per cent higher than the same period in 2002. Month-on-month results show that retail sales increased by 0.4 per cent in March 2003.

Retail Sales in 2006

The underlying rate of retail sales growth has slowed in the first three months of 2006. This follows a period of increasing growth seen towards the end of last year.

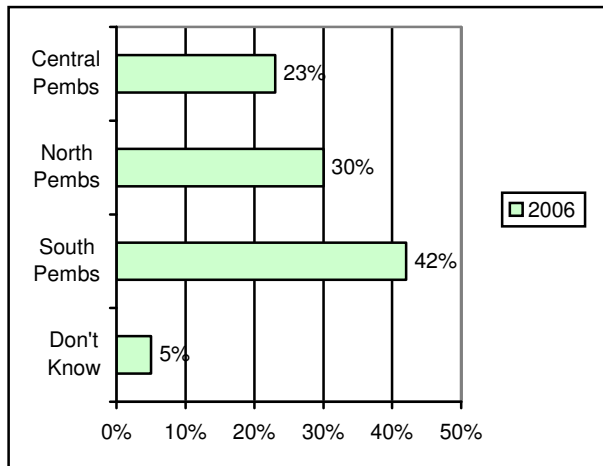
The volume of retail sales in the three months January 2006 to March 2006 was 0.7 per cent lower than in the previous three months. This follows growth of 0.4 per cent in the three months to February and compares with an increase of 0.3 per cent at the same time in 2005.

As can be seen above, retail sales were much more buoyant in September 2003 than in March 2006. These comparative figures could go some way to explaining the decrease in the need for new shop premises.

In order to ascertain further the requirements of those businesses that require new premises we asked: **"Approximately what size unit would you require?"**

- 0 – 1000 sq ft x 10
- 1001 – 5000 sq ft x 12
- 5000 sq ft + x 6
- Other x 142 (details below)
- Wants to build her own
- Larger than it is now
- 12 bedroom
- 2-3 acres (big enough for showroom for 10 cars, car parking area for 70 used cars, stores area, workshop with 8 bays, customer parking)
- at least an acre
- big
- expansion of existing building
- expansion of our own premises-already had planning
- large enough to hold a hair dressing salon
- larger than they have now
- large-relocation of HQ
- one to run alongside our present hotel

We then asked: **“Where would your preferred location be?”**

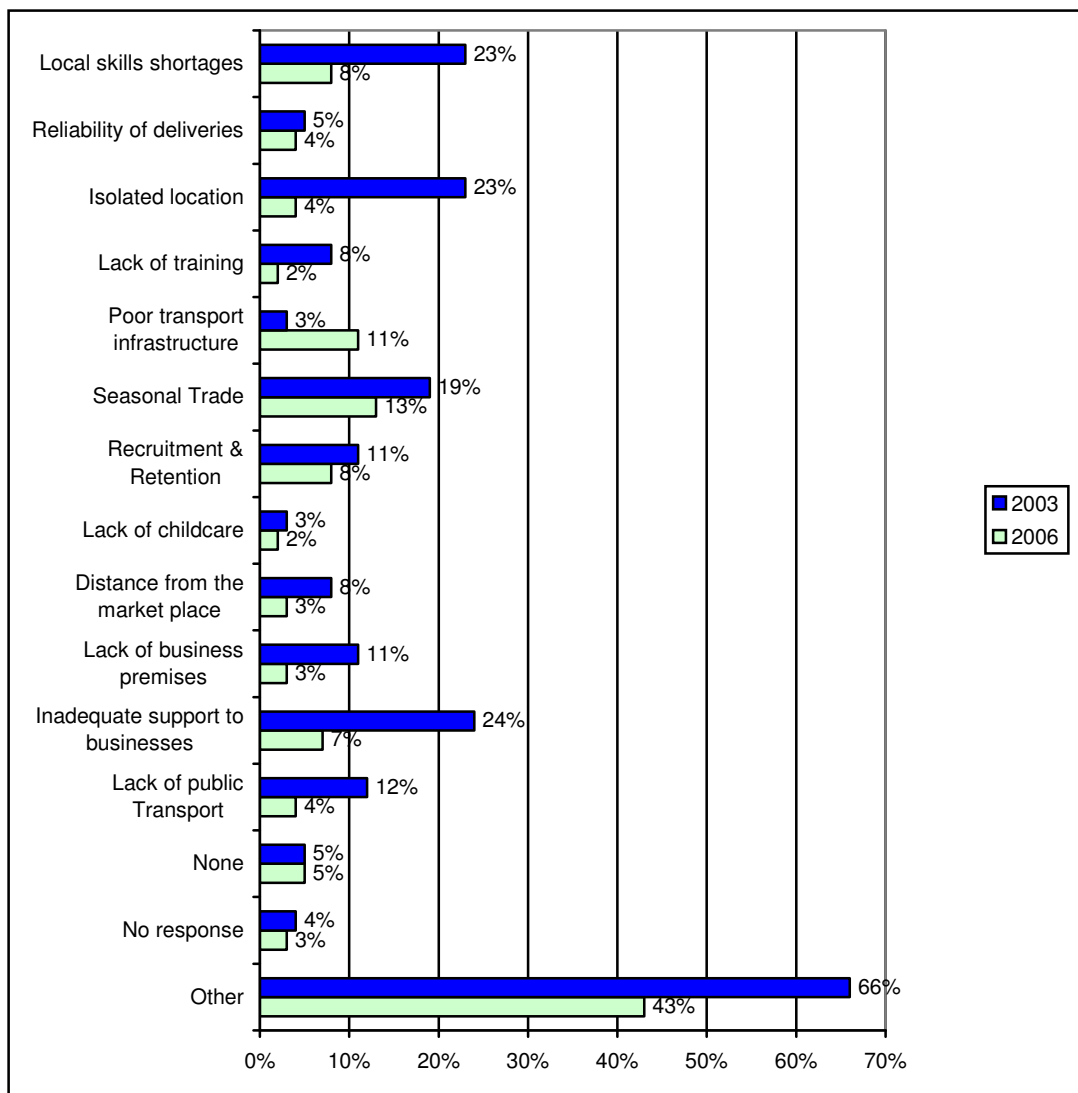


This question was not asked in the 2003 and survey so there is no comparative figure.

This graph shows that South Pembrokeshire is the most popular location with 42% followed by North Pembrokeshire 30% and Central Pembrokeshire 23%.

Source: Wavehill Telephone Survey 2003 & 2006

We then asked: **“Which do you feel are the biggest constraints or barriers to the growth or success of your business?”** (Some respondents gave more than one response.)



Source: Wavehill Telephone Survey 2003 & 2006

Below is a detailed breakdown of the category 'Other':

- Bureaucracy / Legislation / red tape x 54
- Overheads x 51
- Lack of investment/ funding x 43
- Competition x 30
- Lack of customers x 23
- Economic Climate x 23
- Price received for produce x 23
- Cash Flow x 20
- Decline in farming x 17
- Planning regulations x 17
- Age / Retirement x 13
- Weather x 13
- Perceived decline in tourism x 11
- Lack of Car Parking x 9
- Amount of time / number of hours in the day x 9
- Supermarkets x 6
- Personal Issues x 6
- Advertising / Marketing x 6

In order to discover what businesses attributed their success to we asked: ***“What has helped your business to grow or succeed?”***

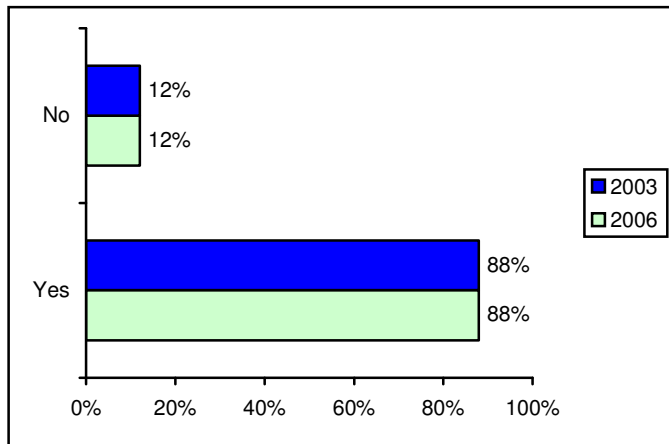
- Hard work / enthusiasm x 219
- Providing quality products/services x 102
- Reputation / word of mouth x 53
- Good staff x 30
- Loyal customers x 29
- Investment/improvements x 28
- Family support x 25
- Own knowledge/expertise x 24
- Advertising/Marketing x 23
- Support received x 21
- Other x 21
- Diversification/redeveloping products services x 18
- Technical improvements x 17
- Location/environment x 15

We then asked: ***“What are your overall aspirations for the business?”*** Not all respondents had aspirations for their business. However the majority of responses can be broken down into the following categories:

- Improve/ Succeed/ be profitable x 323
- Expand x 146
- Continue at current rate x 123
- Survive x 75
- Wind down / retire / sell up x 72
- Diversify x 27

3.4 Your Business

We asked those businesses that came under the following categories: *Guest House, hotel, restaurant catering*; **“Do you use locally produced food?”**

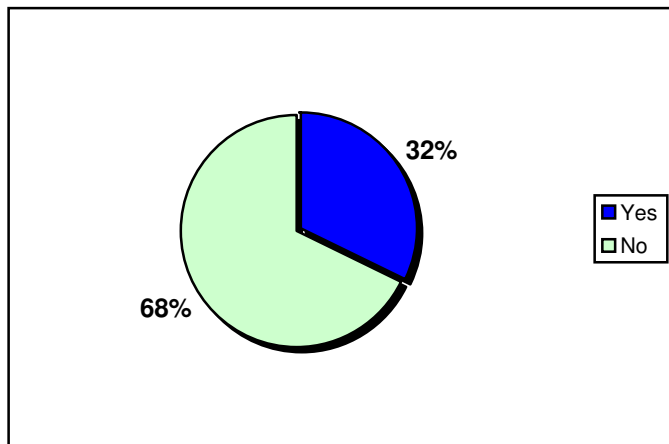


This graph shows no variance between the two surveys with 88% responding **‘Yes’** in both 2003 and 2006.

Source: Wavehill Telephone Survey 2003 & 2006

Although there is no increase in the percentage of businesses using locally produced food, 88% (2003 & 2006) is very positive and shows a high level of use of local products by the businesses interviewed.

As a follow on question we then asked these businesses: **“Are you a member of the Pembrokeshire Produce Mark scheme?”**

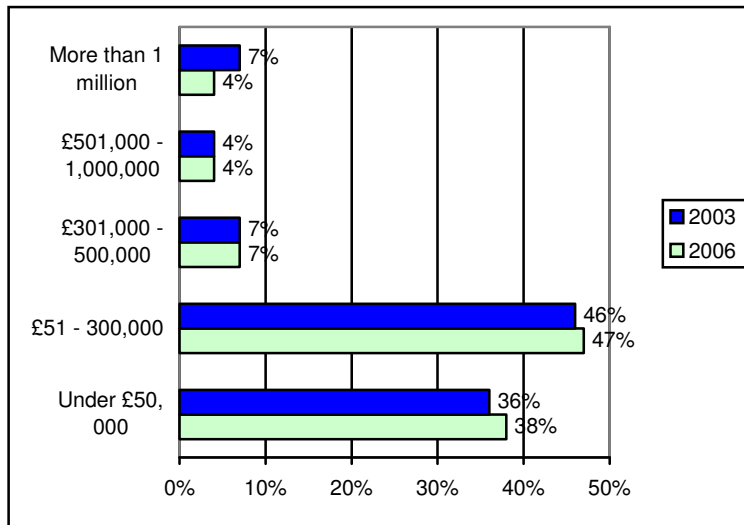


This question did not appear in the 2003 survey; therefore we cannot make a comparative comment.

Source: Wavehill Telephone Survey 2006

The graph above shows that 32% of guest houses, hotels and restaurants that were interviewed were a member of this scheme. This is a high percentage and shows a good level of participation in the scheme.

We the asked: **“What is your average annual turnover?”**

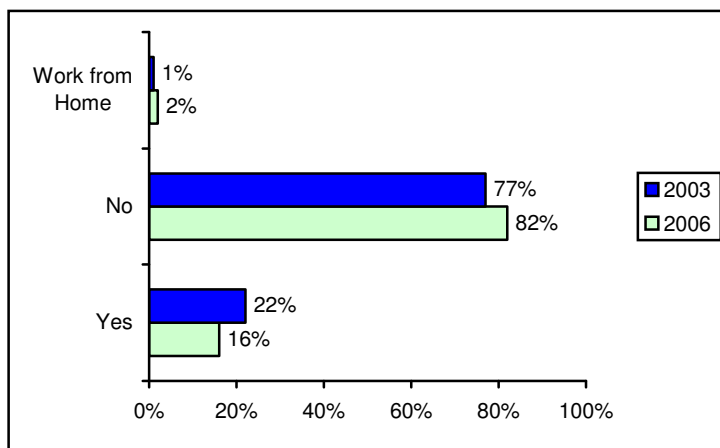


This graph shows that the sample used in 2006 was directly comparable with that used in the 2003 survey.

Source: Wavehill Telephone Survey 2003 & 2006

It is worth noting that in both the 2003 and the 2006 surveys, we encountered a problem with businesses refusing to answer this question. In 2003 30% (241) and in 2006 50% (401) refused. This high number of refusals means that any statistics gained from this sample may not be as comprehensive as in essence, the sample has been reduced to 561 in 2003 and 406 in 2006. We have therefore removed these from the sample for this analysis.

In order to ascertain where the businesses interviewed conducted their business, we asked: **“Do you have more than one outlet for your business?”**

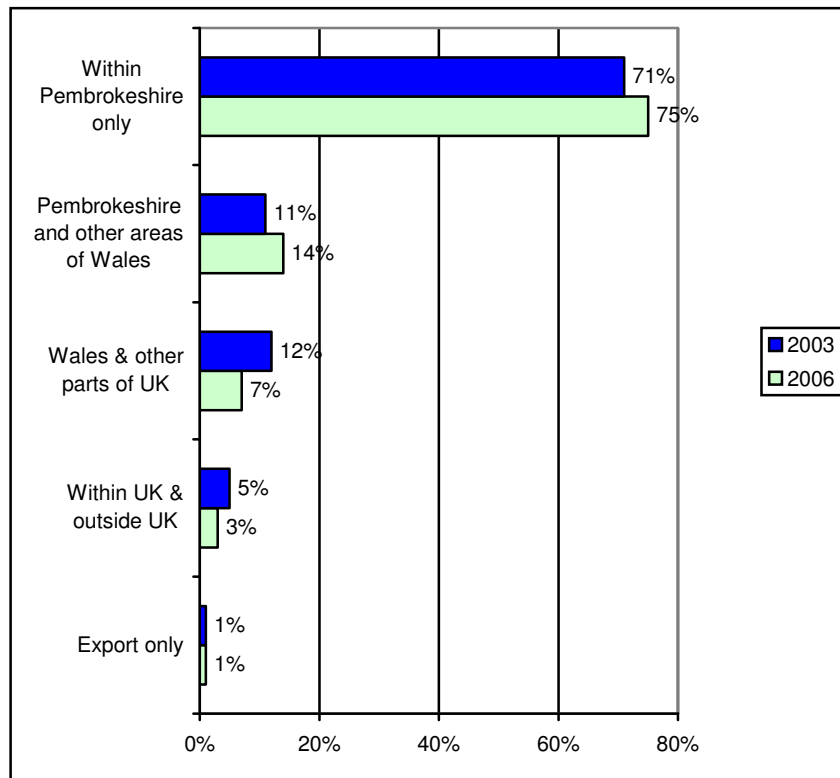


The variance for this graph is:
Yes: -6%
No: +5%
Home: +1%

Source: Wavehill Telephone Survey 2003 & 2006

The percentage of those working from home may appear low in this graph however; this is a reflection of the UK wide picture and does not therefore raise any concerns.

As a follow on to the previous question we asked: **“Do you conduct your business mainly within Pembrokeshire or further afield?”**



This graph shows negligible variance in the responses from 2003 and 2006. However with an increase of 4% from 71% in 2003 to 75% in 2006, there may be a small trend towards Pembrokeshire businesses becoming more reliant on the local market.

Source: Wavehill Telephone Survey 2003 & 2006

If we take the results from this graph and consider them in conjunction with **‘how many employees do you have?’** we can see that the number of self employed businesses that were interviewed was greater than during the 2003 survey which may have contributed to this suggested rise in a reliance on the local market.

Further consideration should be given to the effectiveness of this question for future surveys. There is a suggestion that it may not be easy to answer clearly for businesses that rely on visitors from outside of the county. For example a guest house based in Pembrokeshire may hold the view that 100% of their business is conducted within the county, however many if not all of their customers may come from outside Pembrokeshire or Wales. We would suggest therefore that this question be rephrased to ask something like **‘where are your customers based?’**

In order to gain respondents views on changes that could be made in the future we asked: **“What could be done to make Pembrokeshire a better place to do business?”** We received a wide range of responses to this question, but these can be put into the following categories:

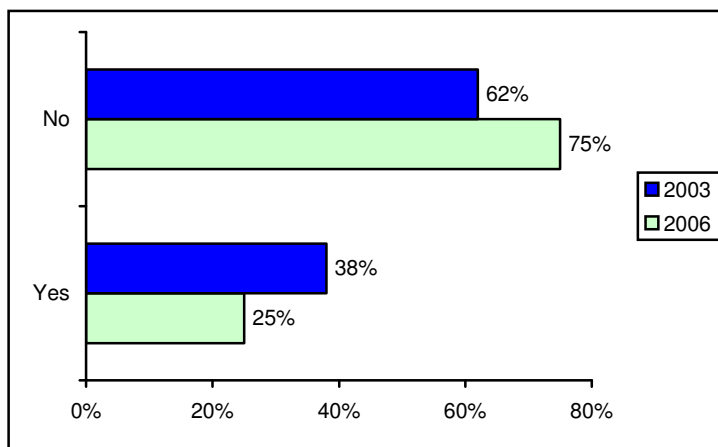
- Help with grants/funding x 71
- Cut tax / rates x 68
- Reduce red tape / bureaucracy x 55
- Improve transport infrastructure x 47
- Improve prices for agricultural industries x 43
- Improve parking x 39
- Advertise Pembrokeshire more x 26
- Cannot be improved / doing OK x 23
- Encourage more tourists x 17

It is worth noting that the majority of businesses that suggested 'improve parking' were based in the Tenby area. This appears to be a source of some concern to businesses based in that town.

We then asked: ***“What sort of assistance, if any, do you require in developing new products or processes?”*** Again the responses can be grouped in the following categories:

- General business advice / guidance x 167
- Grants/financial assistance x 123
- Advertising x 89
- None x 71
- Training x 26
- Don't know x 43

Next we asked: ***“Would you be prepared to work in partnership with other companies in order to attract new business?”***



This graph shows a decrease in willingness to work in partnership. The variance is:

Yes: -13%
No: +13%

Source: Wavehill Telephone Survey 2003 & 2006

This decrease in a willingness to work in partnership may be linked to the rise in business confidence, however this could be a short term view on the part of the businesses and support given to assist partnership working, for example joint websites for guest houses and hotels should continue to encourage this beneficial way of working.

Finally, in this section we tried to establish what the future concerns of businesses are: ***“Over the next few years, what do you feel will be the biggest challenge facing your business?”*** The responses can be grouped in the following categories:

External

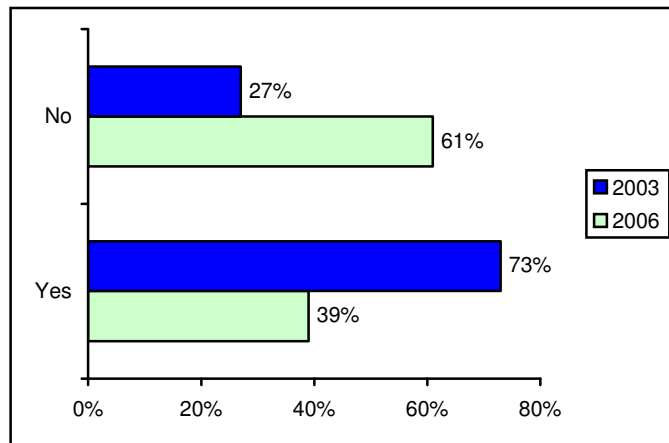
- Anticipated competition x 55
- Legislation / regulations x 42
- Changes in the sector x 32
- Economic climate x 29
- Prices x 22
- Competition from / dealing with supermarkets x 19
- Bureaucracy x 14

Internal

- Surviving / keeping afloat x 62
- Expanding x 57
- Finance / overheads x 57
- Attracting Customers / demand x 54
- Growth in sales / profitability x 49
- Age / retirement x 40
- Lack of qualified staff / staff retention x 16
- Personal issues / health x 18
- Need for larger premises x 12

The issue 'Age/retirement' and therefore succession planning has been a common theme raised throughout both the 2003 and 2006 surveys as a challenge to businesses and a barrier to growth. Therefore consideration should be given to whether there is a gap in support provision in this area.

In order to gauge willingness to be involved in future consultations we asked: ***“Would you consider taking part in further consultation in the future to help improve services to Pembrokeshire businesses?”***



The variance to this question is:

Yes: -34%

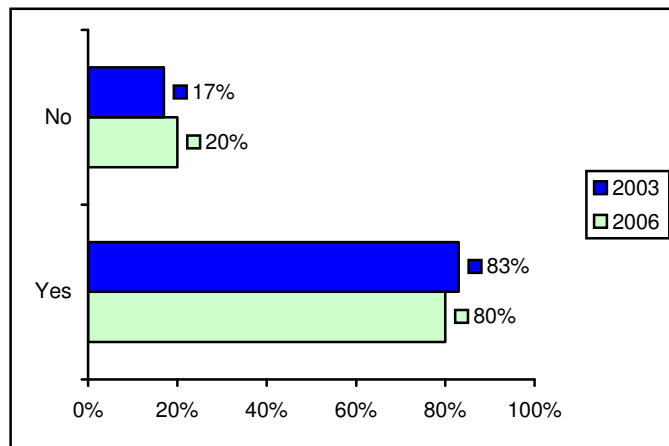
No: +34%

Compared to other responses in this survey, this is a marked decrease.

Source: Wavehill Telephone Survey 2003 & 2006

The graph above shows a marked decrease in a willingness to take part in future consultations; this may indicate a level of 'consultation fatigue' that should be taken into consideration.

Finally, in order to conform with the Data Protection Act and to enable the relevant support services to assist and support the businesses interviewed we asked: **“Are you happy for us to share the information you have given us with business support.”**



The variance in responses to this question is:

Yes: -3%

No - +3%

This is a negligible decrease and shows a high level of willingness to be contacted and assistance.

Source: Wavehill Telephone Survey 2003 & 2006

This is the end of the Pembrokeshire 2006 Business Survey. By participating in this survey the 807 contributing businesses have helped to promote a better partnership and understanding between business and the public sector.

As the last graph (above) shows, the businesses in Pembrokeshire value and understand the need for the council and the business support agencies to judge the climate that their companies are operating under, in order to plan ahead and get business support services planned and shaped correctly.

Finally, Wavehill would like to thank all of the businesses that took part and gave their time, views and opinions openly and with great honesty.