

# South West Region Business Link

## Performance Report Quarter 2, 2009/10

### 1. Introduction

This report summarises the performance of the Business Link network in the South West during the year to September 2009 (Quarter 2, 09/10).

### 2. Business Link Customers

In the last 12 months 105,113 customers in the South West used Business Link Services, including 84,994 established businesses. Of these, 7,219 customers received intensive assistance involving one-to-one support leading to an agreed plan of action to improve business turnover and productivity. In addition, the network provided pre-start services to over 15,000 potential entrepreneurs.

	Q2 2009/10 Actual	Target
Existing businesses	85,944	80,054
Start-ups	4,270	3,583
Pre-starts	15,213	13,089
<b>All Customers</b>	<b>105,113</b>	<b>102,616</b>
<i>Of Which, Intensively Assisted Businesses</i>	7,219	6,385
<i>Intensively Assisted Pre-starts</i>	1,644	780

BL MIR returns Q2 08/09. Rolling four quarter data

South West Business Link performance continues to be strong, with overall Penetration levels 2% above target and Intensive Assists 13% above target.

Overall customer satisfaction (84%) has shown a disappointing fall since the last report (when it was 88%), and remains below target (91%). We believe that this is a reflection of new customers coming to Business Link with expectations that are not in line with what can be delivered. However, it continues to be an area that Business Link is very focussed on improving.

### 3. Comments

#### Existing Businesses

HR issues continue to generate significant interest. In response to the findings to our Spring Economic Downturn survey, which highlighted pricing as a key issue, we ran a number of pricing articles in our business i newsletter. These were extremely popular accounting for 13% of all 'information provision' downloads during quarter 2. 29% of key issues in Business Support Plans relate to Customers and Markets, followed by Finance issues at 21%

## **Pre-Starts & Start-ups**

**Pre-start** activity has seen a continued increase, with penetration levels 16% above target. The economic climate and rise in redundancies has been a big factor in the increase, with start-up workshops are currently very heavily booked. Increased provision is required for next 6 months. There has been a noticeable increase in professionals accessing support, a number looking to supply back into the industries they previously worked in.

Although, Job Centre Plus (DWP schemes) have helped increase volume of activity, there is still a lot of confusion coming from individuals referred into Business Link around their exact entitlements, which in turn has raised expectations around the service that will be delivered. This is causing real challenges on customer satisfaction.

**Start Up** - demand remains high, with performance nearly 20% above target. In parts of the region demand is over 50% higher than this time last year.

## **Social Enterprise**

Social Enterprise support has broadly remained level compared to last quarter. A regional contract is in place to deliver Social Enterprise support, drawing on European funding. This is delivering satisfactorily. Difficulties remain, for all, in identifying and defining exactly what a social enterprise is.

## **Intensive Assistance**

**Existing Businesses** - Performance remains very strong across the region (13% above target), with numbers of IAs continuing to increase. This reflects the frequent need for depth support by businesses during the economic downturn. A lot of effort has gone into designing a more flexible service that can attract a diverse range of clients and respond quickly to demand pressures.

In the second half of the year, as the recession eases, we will start to move our focus in this area from a reactive response to helping existing clients' businesses grow out of the downturn.

**Pre-start** - Performance in this area is above target. Whilst the focus in the region is on providing Intensive Assistance to established businesses, we have put extra support in place this area, to support the DWP initiative for those unemployed six months plus.

**Social Enterprise** – Intensive Assistance has increased from 100 to 131 in the last quarter.

## **Customer Satisfaction**

Responding to and managing customer expectations is a key concern, with work focused on:

1. Pre-starts expecting financial support from Business Link, or immediate payment of benefits from DWP once they have attended a BL start-up course;
2. Availability of funding to support implementation of actions from Business Support Plan;
3. Clients left adrift following attempts to access financial support from Banks or EFG / loan fund;
4. Clients unable to access a subsidy for NVQ funded training provision;
5. Businesses expecting leads from Business Link;
6. Businesses expecting BL staff to implement their actions as part of service;
7. Businesses expressing discontent around brokerage, as a result of having to pay private sector directly themselves;

## **Skills Brokerage**

Integration of skills brokerage is progressing well with the following milestones achieved:

- Skills Brokers renamed BL Advisers;
- BL core advisers have received an induction programme largely delivered by ex-skills brokers;
- BL core advisers and ex-Skills Brokers have 'buddied';
- Skills targets have been set for all core BL advisers and visa versa for Business Support.

The following activities are planned:

- 7 BL core advisers undertaking SfEDI skills pilot in Oct 09 with approx. 90 due to undertake by March 10 (all advisers already have core SfEDI)
- An updated integrated CPD plan will be produced in Nov 09
- An integrated Skills/Business Support CRM system is planned for Jan 10
- Single integrated regional CRM system by Apr 10

Buddying arrangements have worked well resulting in joint working / visits and knowledge exchange. The Leadership & Management contract (held by BL in the South West) has aided integration, as a good starting point on skills for BL core advisers that can lead to further skills development activity.

Separate CRM systems have been a big issue. The introduction of the single CRM system will have many benefits for advisers, employers and funders.

The up-skilling of the skills advisers to undertake business interactions will be challenging, given that they generally have less business experience than core advisers, and that they are used to working with larger companies and often not talking to the business owners. Conversely, the knowledge of all the skills solutions and contacts is a big learning curve for BL core advisers. Significant CPD will be required in these areas.

Paperwork requirements are still separate for BL (RDAs) and LSC, making experiences for client seem bureaucratic. This is gradually being improved.

Skills Brokerage Intensive Assists (SIAs) have been just below target - 593 was against an initial target of 605. All SIAs require the collection of GVA data. As a result, the overall figure for SIAs has been lower than might have been expected. SIA's are currently produced by core BL Advisers (although ex Skills Brokers have now also been trained in GVA collection). As a result the vast majority of SIA's are with small businesses.

There were 1,491 SIAs which have not included GVA (against a target of 997). Training and support has been given to ex Skills Brokers and it is expected that the year-end target for SIAs excluding GVA (2000) will be met.

A range of sectors have been supported, though coverage is higher in manufacturing, real estate and retail.

**Skills Proposals** – The number of skills proposals developed has been good, though targets are currently being revised in light of available places at providers. Most proposals are for employers with less than 50 employees, with the greatest percentage for NVQs. Manufacturing, construction and real estate are the top sectors for proposals. The focus is currently on managing pipeline and customer expectations, given the current 'lull' in provision.

**Skills Brokerage Referrals** - Referrals are ahead of profile for most destinations, apart from 16-18 Apprenticeships and HE. Business Link is working with NAS and Training Providers, setting up good practice groups and identifying Apprenticeship champions, to try and increase 16-18 Apprenticeship referrals. HE referral activity is being reviewed with the SWRDA Higher Level Skills team.

Although learner referrals for all other categories are ahead of profile, it should be noted that Advisers are spending more time on each referral, due to the need to ensure provision is available before a referral is made.

Leadership and Management activity has been vital in enabling Advisers to provide skills solutions and South West LSC data shows that 73% of employers, who have accessed Leadership and Management, go on to engage with additional Train to Gain provision.