

November 2021

Evaluation of Benchmarking & Assessment Tool

A Final Report to Be the Business

Ipsos MORI



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Executive summary

Be the Business commissioned Ipsos MORI to undertake an **evaluation of the digital Benchmarking and Assessment Tool**. The Tool is targeted at SME leaders and serves as a diagnostic, identifying areas where they could potentially improve their productivity based on proven management practices. This report presents the findings from the impact evaluation, and draws upon findings from the scoping, design and process evaluation phases. The study was carried out between August 2020 and August 2021.

Background to the Tool

In 2017, Be the Business was established to support SME leaders to improve their management and leadership practices, ultimately leading to improvements in UK productivity performance. It has developed a suite of interventions to support UK SMEs, including the digital Benchmarking and Assessment Tool. The Tool acts as both a diagnostic device and a gateway into wider Be the Business support. The intention is for SME leaders to use their results as a catalyst for action, helping them to identify additional support best suited to their business needs, ultimately leading to improved productivity.

Aims and objectives of the evaluation

The scoping stage of the evaluation was conducted between August and October 2020. The scoping report presented evidence on the effectiveness of the processes for design, development and delivery of the Benchmarking and Assessment Tool to date and a series of lessons learned to inform future delivery of digital tools aimed at driving behaviour change within SMEs. It also set out the three headline evaluation questions, informed by stakeholder feedback, that shaped the impact evaluation phase of the study (see Table 1). This report will present the answers to these three questions, as informed by the evidence collected.

Table 1: Final evaluation questions

EQ1	To what extent has the Tool achieved intended outcomes / impacts on the following areas: improved awareness / adoption of management practices; increased understanding of performance relative to other businesses; interaction with the wider business support landscape?
EQ2	What have been the enablers / barriers to the achievement of intended outcomes and impacts (e.g. aspiration to improve business performance)? What are the respective roles of the benchmarking and assessment elements of the Tool in achieving these outcomes?
EQ3	Have there been any unintended / unanticipated outcomes or impacts from the Tool?

Source: Ipsos MORI

Overview of the Tool

The Benchmarking and Assessment Tool enables users to: 1) **assess their business performance** against five key management themes: people and team, leadership and strategy, planning, sales and growth, and digital readiness; and 2) **benchmark their productivity** against other firms in their sector. Businesses can complete just one element or both (in whichever order they choose).

To assess their business performance, users are asked to **rate the performance of their business** across a series of statements relating to five management themes. This results in a top-level assessment of which

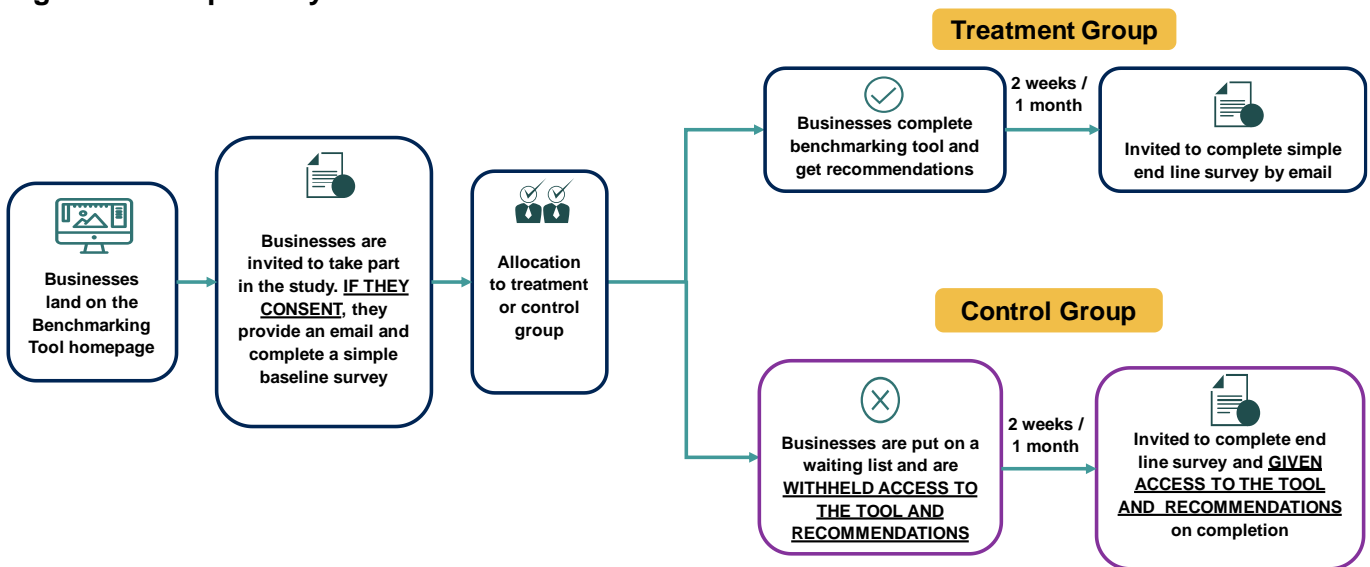
management theme requires most improvement. Following this, they have the option to answer **additional multiple-choice questions** to generate a customised action report – users can also go directly to this in-depth questionnaire at the outset. To benchmark their productivity performance, users are required to provide details of their size, turnover and sector. This results in a top-level assessment of their productivity performance relative to peers in the same sector.

The Tool was designed based on an underlying **Theory of Change**, which sets out the context and rationale, inputs and activities, and how these are expected to translate into immediate outputs, outcomes and impacts for SMEs. This ‘logic’ is summarised in Figure 2.1.

RCT methodology

A Randomised Controlled Trial (RCT) was delivered in order to assess the impact of the Benchmarking and Assessment Tool on end users. In this RCT the treatment group was represented by UK SMEs that completed the Tool and received the Tool’s recommendations, while the control group comprised of firms put on a waiting list for up to four weeks and gaining access to the Benchmarking Tool’s after the completion of the end line survey. Figure 2 provides a detailed overview of the RCT pathways for the treatment and control group.

Figure 2: RCT pathway



Source: Ipsos MORI

RCT Survey

The RCT used two surveys – a baseline and end line – to compare outcomes for firms that used the Tool, benchmarking their productivity performance and receiving tailored recommendations (the treatment group), with outcomes for firms that did not receive the equivalent support (control group). The surveys covered four key outcomes that were aligned to the five key management practices and key short-term outcome variables outlined in the Theory of Change (see Figure 2.1).¹ The questions were designed to measure changes in end user knowledge and behaviours between the two time points, using a 10 point scale.² The end line survey repeated all questions relating to key outcome variables, and also collected evidence on the implementation of recommendations and consent for follow-up in depth consultations. A

¹ The five management themes are: people and team; leadership and strategy; planning; sales and growth; and digital readiness.

² Similar ways of rating management practices are used in other renown management surveys like the ONS Management and Expectations Survey and the World Management Survey run by the Centre for Economic Performance at LSE.

detailed list of the outcomes is presented in Table 2 below. The RCT compared changes in the average scores of each between baseline and endline for treatment and control groups.

Table 2: Outcomes of interest

Outcome variables	Expected change in the treatment group
<i>Outcome relating to management and leadership practices</i>	
1. Likelihood of making changes to management and leadership practices	Increase in the likelihood of making changes to management and leadership practices
<i>Outcomes relating to the Theory of Change</i>	
2. How do you think your business performance compares to other businesses of your size / in your sector?	Bidirectional change, in this case it is not possible to predict the sign of the change 'a priori', as this will be different for each firm
3. How motivated are you to improve your business' productivity performance?	Increase in the motivation to improve business productivity
4. How important are management practices to improving business productivity?	Increase in the importance of management practices, to improve business productivity

Source: Ipsos MORI

End user experience

Experience of using the Tool

Overall, **consultees had a positive experience using the Benchmarking and Assessment Tool**: they clearly understood the purpose of the Tool and what was expected of them. In this sense, the Tool was considered to be fit for purpose as catalyst to improve management and leadership practices: consultees did not expect the Tool itself to generate marked changes to their internal practices and productivity, rather it was a mechanism for reframing their management focus and deepening their awareness of the ways in which productivity can be improved. **End users clearly understood that the Tool was a diagnostic**, that would help them to better understand their business performance and business needs. **SME leaders were less clear on whether or not the Tool was intended to act as a catalyst for further action and follow on support.**

The Tool either partly or fully met all consultees expectations in terms of time commitment and preparation, the management and leadership themes covered, and the simplicity of the interface. In the instances where expectations were not met, consultees would have valued more specificity in the Tool: e.g., more granular sector classifications for the benchmarking and advice for firms with a very small number of employees. There weren't areas where it exceeded expectations, as one consultee explained the Tool was "*as [they] hoped it would be – a good quality, easy to use Tool for any business*".

Usefulness of digital tools

There was consensus amongst end users of the Tool and stakeholder consultees that **digital tools will become an increasingly important mechanism to support businesses**. It was agreed that the business support landscape was moving towards wider digitisation, but this process had been accelerated, and the needs for it had been compounded, by the ongoing COVID-19 pandemic. End users were particularly positive about the fact the Tool could be accessed at any point and could therefore be easily fit around their schedules, they also appreciated that it covered a broad range of topics so could be revisited as different issues in their business arose. These factors were seen to be especially important to SME leaders in the context of uncertainty surrounding the pandemic and the UK's recent departure from the European Union.

Similarly, End users and stakeholders alike, agreed that the simplicity and ease of access of the Benchmarking and Assessment Tool was its unique contribution to the current business support landscape. As one SME leader explained, *“for business support tools to be useful right now, they need to be digital or at least have a digital side: this is where the world is going”*. A different SME leader thought the structure (e.g. clearly explained steps, streamlined themes) and interface of the Tool (e.g. available digitally, user friendly, quick to complete) was good and should be used as a standard for any digital tools Be the Business goes on to develop.

Emerging outcomes

The results from the RCT were not statistically significant and therefore it is not possible to attribute any changes to the Tool itself. However, the coefficients associated with the treatment variable (i.e. that took the value of 1 for firms belonging to the treatment group and completing the Tool, and 0 for the control group) suggest that:

- firms completing the Tool were **more likely to report changes in management and leadership outcomes** than the control group. Implying that they:
 - were more likely to make changes to management and leadership practices after undertaking the assessment; and
 - had improved their understanding of the importance of management and leadership practices following their engagement with the Tool.
- the Tool provided SME leaders with a **more accurate understanding of their productivity, relative to firms in their sector** – as set out in the Theory of Change, firms tend to overestimate their productivity, impeding their ability to access support that is truly tailored to their business needs.

Conclusions

EQ1: To what extent has the Tool achieved intended outcomes / impacts on SME leaders?

The evaluation did not find statistically significant evidence to support the hypothesis that the Benchmarking and Assessment Tool directly generated management and leadership and productivity outcomes amongst SME leaders. However, the difference in outcomes reported by SME leaders in the treatment group and those in the control group suggested that the direction of travel was consistent with the Theory of Change e.g. treatment group firms reported an improvement in their understanding of management and leadership practices.

In depth consultation evidence indicated that the **Tool provided SME leaders with an opportunity to “pause and reflect on how [they] were running [their] business”**, helping them to re-evaluate the appropriateness and effectiveness of their management and leadership practices. Linked to the above, **the Tool provided some SME leaders with a more formal structure to assess their business** – the five pillars of management and leadership practices were often new categories for the SME leaders and offered a helpful starting point to order their thinking and business strategy.

There was consensus amongst all consultees, even those that reported improvements, that **the Tool’s recommendations were sometimes too general**. This sometimes acted as a barrier to implementing the recommendations, with a few SME leaders explaining that they were not confident that the recommendations were sufficiently tailored to their business.

EQ2: What have been the enablers / barriers to the achievement of intended outcomes and impacts?

End user evidence highlighted three key factors that enabled/hindered them to achieve management and leadership (awareness of practices and understanding of their link to business performance), and productivity (awareness of their productivity relative to peers and motivations to improve it) outcomes as a result of completing the Tool.

1. SME leaders with **good digital skills and experience accessing digital business support** reported a clearer understanding of the Tool's aims and objectives and tended to have expectations that were aligned to the Tool's design and purposed – i.e. they were more likely to see the Tool as *'starter for ten'* or *'initial step to build on'* than those that were more used to in-person support, who tended to have higher expectations of the Tool to deliver in-depth, bespoke feedback.
2. SME leaders from **'newer' firms (i.e. had been operating for five years or less) demonstrated an openness to new ideas and rethinking management and leadership practices** that made them more likely to consider adopting and implementing the recommendations. Comparatively, **more established firms were more likely to dismiss recommendations** because they had either tried them before or felt they were not applicable to their business.
3. The ongoing COVID-19 pandemic enabled outcomes for some firms, and hindered outcomes for others. In some instances, **the pandemic accelerated businesses' move towards digitisation and required them to rethink their business models**. In these cases, end users of the Tool saw real value in both the benchmarking and assessment elements of the Tool and appreciated a moment to consider how their business needed to change in response to the lasting impacts of the pandemic. Conversely, some SME leaders found the pressures placed on their businesses by COVID-19 meant that they did not feel able to pause for reflection – *"we're in survival mode at the moment, I don't have the time to change anything"*.

EQ3: Have there been any unintended / unanticipated outcomes or impacts from the Tool?

There was no evidence collected in the evaluation to suggest that the Tool had generated outcomes outside those articulated in the Theory of Change in the short term. These unintended or unanticipated outcomes and impacts may occur over a longer time period and therefore should be explored in more detail in follow-up impact evaluation

Introduction

Be the Business commissioned Ipsos MORI to undertake an **evaluation of the digital Benchmarking and Assessment Tool**. The Tool is targeted at SME leaders and serves as a diagnostic, identifying areas where they could potentially improve their productivity based on proven management practices. This report presents the findings from the impact evaluation, and draws upon findings from the scoping, design and process evaluation phases. The study was carried out between August 2020 and August 2021.

1.1 Background to the Tool

In 2017, Be the Business was established with funding and support from the Department for Business, Energy and Industrial Strategy (BEIS) and the Productivity Leadership Group (PLG). Its primary aim is to support SME leaders to improve their management and leadership practices, ultimately leading to improvements in UK productivity performance. Be the Business has developed a suite of interventions that are being delivered to SMEs across several UK regions, comprising face-to-face programmes (e.g. Mentoring for Growth, Productivity through People) and digital tools.

The Benchmarking and Assessment Tool acts as both a diagnostic device and a gateway into wider Be the Business support. The Tool enables users to measure their business performance in relation to management practices and productivity, and to benchmark this against peers in their sector. The intention is for users to use this comparison as a catalyst for action. End users are provided with a list of tailored recommendations, linked to proven management practices, to address their business performance issues. They are then able to identify additional support best suited to their business needs, as objectively identified by the Tool and not their personal judgement. This is intended to ultimately lead to improved productivity amongst SMEs.

A version of the Tool was launched in April 2018 before the Tool in its current form was introduced in May 2019. This evaluation will focus on the current Tool, assessing the effectiveness of its development and delivery processes and overall impact.

1.2 Evaluation aims and objectives

The scoping stage of the evaluation was carried out between August and October 2020. The scoping report presented evidence on the effectiveness of the processes involved in the design, development and delivery of the Benchmarking and Assessment Tool. It identified lessons learned to inform future delivery of digital tools aimed at driving behaviour change within SMEs. It also set out the three headline evaluation questions, informed by stakeholder feedback, that shaped the impact evaluation phase of the study (see Table 1.1). This report will report on the evidence collected to address these three questions.

Table 1.1: Final evaluation questions

EQ1	To what extent has the Tool achieved intended outcomes / impacts on the following areas: improved awareness / adoption of management practices; increased understanding of performance relative to other businesses; interaction with the wider business support landscape?
EQ2	What have been the enablers / barriers to the achievement of intended outcomes and impacts (e.g. aspiration to improve business performance)? What are the respective roles of the benchmarking and assessment elements of the Tool in achieving these outcomes?
EQ3	Have there been any unintended / unanticipated outcomes or impacts from the Tool?

Source: Ipsos MORI

1.3 Approach

The aim of the final impact evaluation was to assess the emerging impacts of the Tool on end users. The key stages involved in the impact phase were:

- **Design and delivery of a Randomised Controlled Trial (RCT)** of 1,000 businesses (500 in both the treatment and control group), administered towards the end of 2020.
- **Econometric analysis** of the evidence collected on the key outcomes of interest through the baseline and endline RCT telephone surveys to estimate the causal effect of completing the Tool.
- **Analysis of the wider data collected** through the baseline and endline telephone surveys and Google Analytics to understand the profile, motivations and business needs of SME leaders.
- **Follow up in-depth interviews** with twelve SME leaders from the RCT treatment group to understand how and why the Tool did or did not generate outcomes (e.g. through improved understanding of the importance of management and leadership practices to productivity).
- This report also draws upon evidence from our **scoping consultations** (a full list of consultees is provided in Annex C):
 - **Ten key stakeholders:** a combination of people internal to Be the Business (e.g. Head of Programmes, Head of Digital) and external (e.g. BEIS, McKinsey, software developers). These discussions explored the approach taken to the design, development and testing of the Tool, perceptions of performance of the Tool and expectations of the evaluation.
 - **Four businesses who had recently completed the Tool:** to capture user perspectives on the effectiveness of delivery and emerging outcomes. The 150 most recent users of the Tool (dating back to December 2019) were contacted and invited to participate in an interview, but recruitment was much lower than anticipated.³ The small sample size meant that it was not possible to robustly test the underlying Theory of Change during this stage. The end user insights presented in this report should be treated as indicative and not conclusive.

³ All 150 users were emailed twice. It was decided that they would not be contacted a third time to prevent consultee fatigue for later primary data collection.

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1.4 Structure of the report

The remainder of the document is structured as follows:

- **Section 2** – provides an overview of the design of the digital Benchmarking and Assessment Tool.
- **Section 3** – provides an overview of the RCT methodology.
- **Section 4** – presents the results from the survey, Google Analytics data and depth interviews on end user experience of the Tool.
- **Section 5** – sets out the emerging evidence on outcomes associated with the Tool
- **Section 6** – details options for a future Cost-Benefit Analysis
- **Section 7** – provides the final conclusions and recommendations.

2 Overview of the Tool

This section presents an overview of the design of the Benchmarking and Assessment Tool. Firstly, it provides a description of the Tool, outlining the end user pathways through the benchmarking and assessment elements. This is followed by details of **how** and **why** the Tool is expected to generate benefits for businesses, through a logic model and Theory of Change. It draws upon evidence gathered from the desk review and stakeholder consultations.

2.1 Customer journey

The Tool is one of several initiatives developed and delivered by Be the Business in response to the UK's productivity challenge. It is targeted at SME leaders and comprises two elements: an **assessment of business performance** against five key management themes: people and team, leadership and strategy, planning, sales and growth, and digital readiness; and a **benchmarking assessment of productivity**. Businesses can complete just one element or both (in whichever order they choose).

Figure 2.1 illustrates the possible **end user pathways** through the Tool's benchmarking and assessment elements:

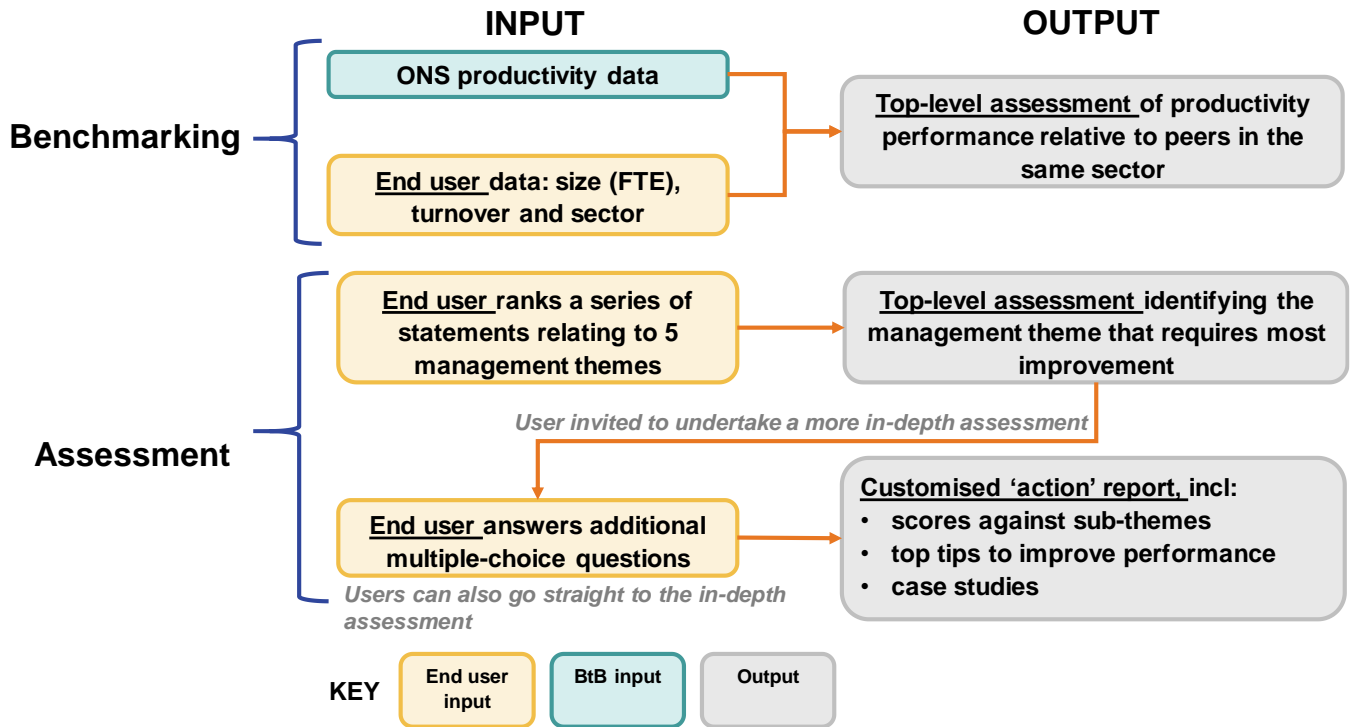
- To **benchmark their business**, end users are asked to input data on business size (turnover and employees), business expenses, industry and sub-industry. This is then compared against ONS data to generate an assessment of productivity performance (GVA per worker) relative to the UK average for their sector and size.
- To assess their **business performance**, end users are asked to rank a series of statements relating to the five management themes (e.g. *I have a clear strategy for my business which is reviewed regularly; I understand my customer and how to maximise my growth opportunities*) from most to least accurate. On the basis of the ranking, the Tool identifies which of the five management themes requires most improvement.
 - Those that complete an assessment of their business performance are then invited to complete an **optional second assessment** in order to receive tailored recommendations. Those that complete this step are asked a small number of multiple-choice questions related to the management theme identified for improvement in the previous step.⁴ They then receive a customised 'action' report', containing an assessment of their performance against sub-themes;⁵ simple tips; case studies of businesses that have overcome similar challenges; access to tailored Be the Business content (e.g. thematic handbooks) and signposting to other Be the Business initiatives.⁶ Users are invited to register their details to save their results for access at a later date. It is important to note that end users also have the option to complete the in-depth assessment on a pillar of their choosing, rather than one identified by the statement ranking exercise.

⁴ The number of multiple-choice questions in the second assessment varies by management theme. For example, the people and team survey has ten questions whereas digital readiness has six.

⁵ Each of the five key management themes has a set of sub-themes that the business is assessed against in the second stage to inform their targeted improvement plan. For example, if the first stage assessment shows a business needs to improve their digital readiness, the second stage identifies *which* parts of their digital readiness require most improvements (e.g. digital commerce, automation, collaborative tools & analytics).

⁶ Be the Business produced handbooks and curated content for each of the five management themes.

Figure 2.1: Input-output mechanism



Source: Ipsos MORI

2.2 Theory of change

This sub-section details the context and rationale for the Benchmarking and Assessment Tool, including an overview of the inputs and activities, and how these are expected to translate into immediate outputs, short- and medium-term outcomes and longer-term impacts. This 'logic' is summarised in Figure 2.1.

2.2.1 Context

Productivity performance is a vital factor in driving economic growth, improving living standards and increasing social prosperity. Higher productivity generates higher profits and wages, leading to higher tax revenues and an increased public budget. The UK has experienced a slowdown in its productivity growth since the 2008 economic recession relative to its main competitors, the US, Germany and France.⁷ Prior to the financial crisis, productivity had been rising steadily and, had the pre-2008 trend continued, it would have been 20% higher than it was at the end of 2017. Businesses that were most productive prior to the 2008 recession have continued to drive productivity growth, whilst those that were less productive have struggled to return to pre-2008 levels. This 'long tail' of low productivity companies is concentrated with small- and medium-sized enterprises (SMEs), who account for a large share of the UK economy.⁸

These patterns have led to several calls to improve the entrepreneurial ecosystem, enabling SMEs to realise their growth potential and close the productivity gap between the UK and other leading economies. The Productivity Leadership Group (PLG) was established in 2015, bringing together leaders from blue-chip companies to improve productivity using a bottom-up approach.⁹ The group reported that there had

⁷ Haldane (2018), Bank of England, "The UK's Productivity Problem: Hub No Spokes"

⁸ SMEs account for 60 percent of all private sector employment and their number has risen by 64% since 2000 (compared to 4% amongst large firms) – Small Business and Productivity, Fifteenth Report of Session 2017-19, House of Commons Business, Energy and Industrial Strategy Committee, 2018.

⁹ PLG members include firms such as GSK, Amazon, BAE Systems, McKinsey, Rolls Royce, KPMG, EY, Siemens UK and John Lewis Partnership.

been a sharp contraction in the ‘diffusion’ of best practice between businesses and concluded that leading organisations must share learning with the wider business base on how to make workplaces more technologically savvy, innovative and competitive, ultimately driving productivity performance.¹⁰

The current UK business support landscape offers a wide range of products, but it can be complex and difficult to navigate, particularly for SMEs. This can result in businesses being unable to identify and access the support they need. The ongoing public health crisis has heightened the need for accessible business support. The outbreak of COVID-19 and the measures to contain it are having a significant impact on the UK economy. At the macro-level: activity has fallen markedly, and unemployment has risen sharply.¹¹ However, at the micro-level the impact on the productivity of SMEs will be varied. Social distancing measures have limited the capacity of retail and hospitality businesses, schools and nursery closures have put increased pressure on working parents and networking opportunities have been reduced. As SMEs face a new array of challenges and opportunities in adapting to a new economic context, they may need to adopt new types of management practices to maintain efficiency and drive growth.

2.2.2 Rationale for the Tool

Research conducted by Be the Business in 2019 indicated that **the majority of SME leaders overestimate their business productivity**.¹² A survey of 1,400 SMEs found that, though firms were very willing to improve their performance, 80% of respondents saw their businesses as equally or more productive than their peers. Without an accurate understanding of business performance, SME leaders are less likely to correctly identify business needs and seek out the support required to drive change. This **information failure** acts as a barrier to the effectiveness of Be the Business’ suite of interventions, and the wider business support landscape.

2.2.3 Inputs

The Tool has received investment from Be the Business and in-kind contributions from PLG and BEIS, including the McKinsey 5 pillar framework, BEIS assessment of existing business support tools and EY Seren prototyping and validation support. Be the Business subcontracted Beyond Digital as its digital development partner for the early phases of the Tool’s development. In June 2020, Be the Business appointed a new company, Firefly, to fulfil this role for ongoing development and delivery of the Tool. Other key inputs include ONS productivity data, Be the Business staff time, the infrastructure for hosting and monitoring the Tool and time inputs from participating SMEs.

2.2.4 Activities

The Tool is delivered on a digital platform hosted on the Be the Business website and is monitored by the digital development partner (Firefly). Be the Business have delivered a range of marketing and promotional activities to generate users for the Tool, including advertising on platforms with large SME audiences such as Lloyds Banking Group and Facebook. The Tool has also been promoted via the Federation of Small Businesses and Growth Hubs and Be the Business has produced a range of tailored materials for use with users of the Tool, including case studies, top tips and handbooks. The previous digital development partner delivered user experience (UX) testing to assess the effectiveness of the Tool’s design, inform modifications and improve ongoing delivery. More detail on the partners involved and timing of these activities are outlined in Section 3.

¹⁰ Productivity Leadership Group (2017), “How good is your business really? Raising our ambitions for business performance”

¹¹ Bank of England, Monetary Policy Report, May 2020

¹² Be the Business (2019), “Raising UK Competitiveness: Inside the mindsets of leaders of firms”

2.2.5 Anticipated outputs, outcomes and impacts

The Tool is expected to generate immediate quantifiable outputs relating to: number of end users completing the Tool, number signed up and number accessing the live dashboard. Engagement with the Tool is expected to result in a series of short- and medium-term benefits (outcomes) and longer-term benefits (impacts) for end users. These pathways to impact are numerous and will vary by end user, depending on their size, sector, areas of strength and weakness. For example, an SME leader might introduce new people management practices (such as introduction of an appraisal process, establishment of clear progression routes) that could lead to improved internal communication and staff satisfaction. This improved communication could highlight additional underlying barriers to productivity (e.g. production line inefficiency) that could encourage the SME leader to seek support to improve their digital readiness. A different user might learn the importance of planning and seek out tailored mentoring support from Be the Business to develop their business plan and strategy. Whilst there are numerous causal pathways to outcomes / impact, it is possible to generalise three potential pathways for end users:

1. **Benchmarking only:** the benchmarking assessment provides end users with increased awareness of their business productivity relative to their peers and, given that most SME leaders overestimate their performance, they will be motivated to take action to improve in order to bring the business in line with their initial expectation. To do this, they will seek out additional Be the Business support signposted by the Tool or other support from the wider landscape that will help them to identify and overcome their barriers to improved productivity, leading to improvements in overall business performance.
2. **Assessment only:** the assessment identifies the key management theme that requires most improvement and provides end users with a tailored 'action' plan to address this. This will increase understanding of the importance of management practices to business performance, motivating end users to implement at least one recommendation, generating business benefits and sustained changes in management practices. End users may also go on to seek other support from Be the Business and other sources.
3. **Benchmarking and Assessment:** end users will have an accurate understanding of their business performance (via benchmarking); *and* their business issues and how to address them (via the assessment). They will be motivated to take action to improve their productivity and will understand the importance of management and leadership practices to achieve this. The tailored 'action plan' will provide them with a route to implementing changes, generating business benefits and prolonged improvements to management practices; and may also highlight additional business needs. With their knowledge of management practices and understanding of their productivity performance, end users will be able to access appropriate additional support from Be the Business or the wider landscape to drive further business improvement.

2.2.6 Underlying assumptions

- The Theory of Change is underpinned by a set of key assumptions (see others in Figure 2.1. blue box). The benchmark is a sufficient proxy for firm level productivity.
- End users' productivity performance will be lower than their expectations.
- Productivity can be improved by simple changes to management practices.
- There is relevant support available in the business support landscape that users can be signposted into to help them improve and businesses know where to access it.
- Businesses have the resources to implement changes recommended by the Tool.

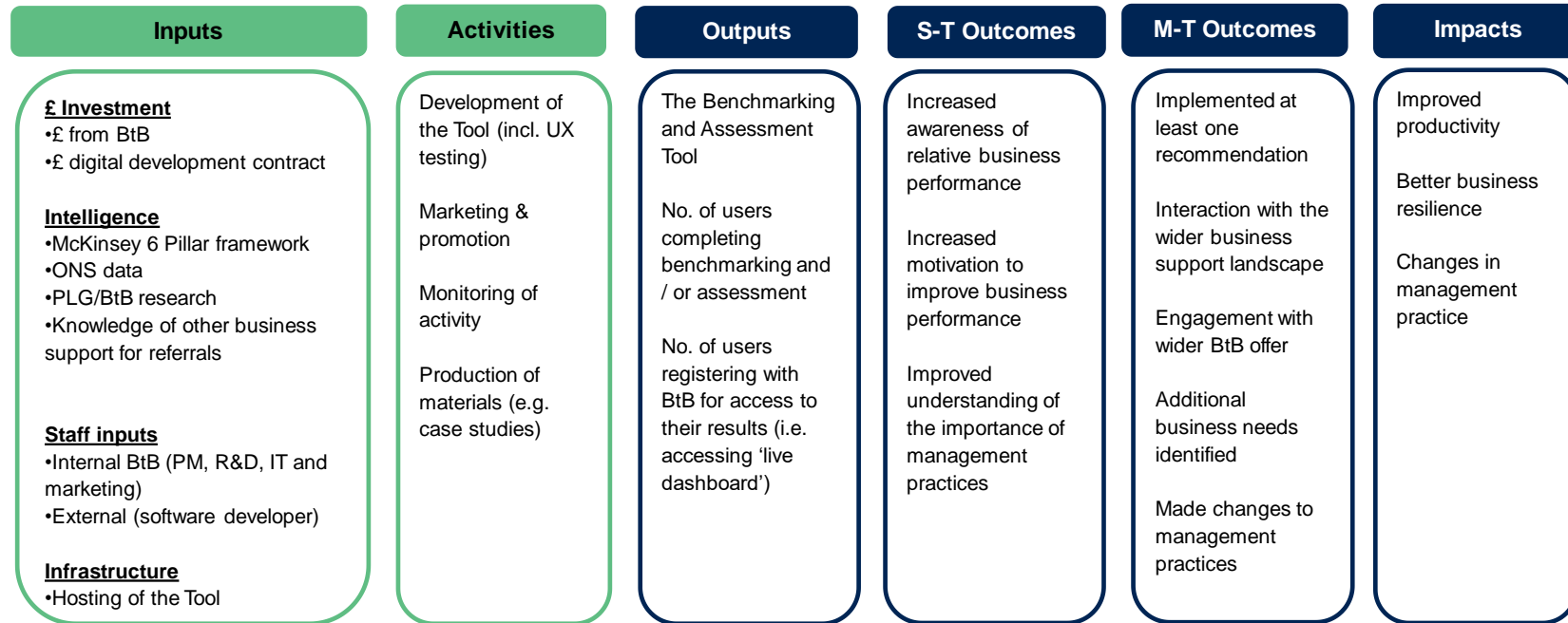
Figure 2.2: Logic model

Contextual factors

Information asymmetry: most businesses do not have an accurate understanding of their productivity performance or the quality of their existing management practices. Therefore, SME leaders are unable to identify their business needs and access appropriate support required to improve their performance

- UK productivity has not recovered from the 2008 recession and continues to lag behind other European countries (e.g. Germany)
- This slowdown is concentrated amongst a 'long tail' of SMEs that account for a large proportion of the UK economy
- Micro level productivity can be improved by improved management practices and digital adoption
- There is a wide range of existing business support available to SMEs

Rationale



Assumptions

- Marketing materials reach the target audience
- Business productivity will be below expectations
- Businesses cannot benchmark their productivity performance elsewhere
- Benchmark is a sufficient proxy for firm level productivity
- BtB is seen as a credible source of business support
- The 5 management themes cover all business issues relating to productivity
- Businesses trust the results and are motivated to enact recommendations
- Businesses trust the results and are motivated to enact recommendations
- Businesses trust the results and are motivated to enact recommendations
- Recommendations are relevant
- Businesses have resources to implement recommendations
- Businesses know where to access the support relevant for their diagnosed business need
- There is relevant support available that users can be signposted into to help them improve

Source: Be the Business, Ipsos MORI

2.3 Scope of the impact evaluation

This evaluation aimed to **understand the effects of the Benchmarking and Assessment on end users** both in the short-term (i.e. changes in the five areas of management practices) and the longer-term (i.e. changes to firm-level business performance and productivity). As a result of COVID-19, the publication of secondary administrative data sources that would have been used to assess the longer-term effects (e.g. Business Structure Database, Annual Survey of Hours and Earnings), through data linking and econometrics, was delayed beyond the timescales of the study. Consequently, **the impact assessment of the Tool was refocused on a short-term effects and evidence in support of the Theory of Change.**

The impact evaluation sought to collect evidence on the following outcomes:

- Increased awareness of relative business performance;
- Increased motivation to improve business performance;
- Improved understanding of the importance of management practices; and
- Implementation of at least one recommendation (see Figure 2.1).

The most robust approach available for assessing the short-term effects of the Benchmarking tool on the key five areas of management practice (i.e. people and team, leadership and strategy, planning, sales and growth, and digital readiness), was to conduct a Randomised Control Trial (RCT). The digital tool was particularly amenable to this approach and the full methodology is set out in the following section.

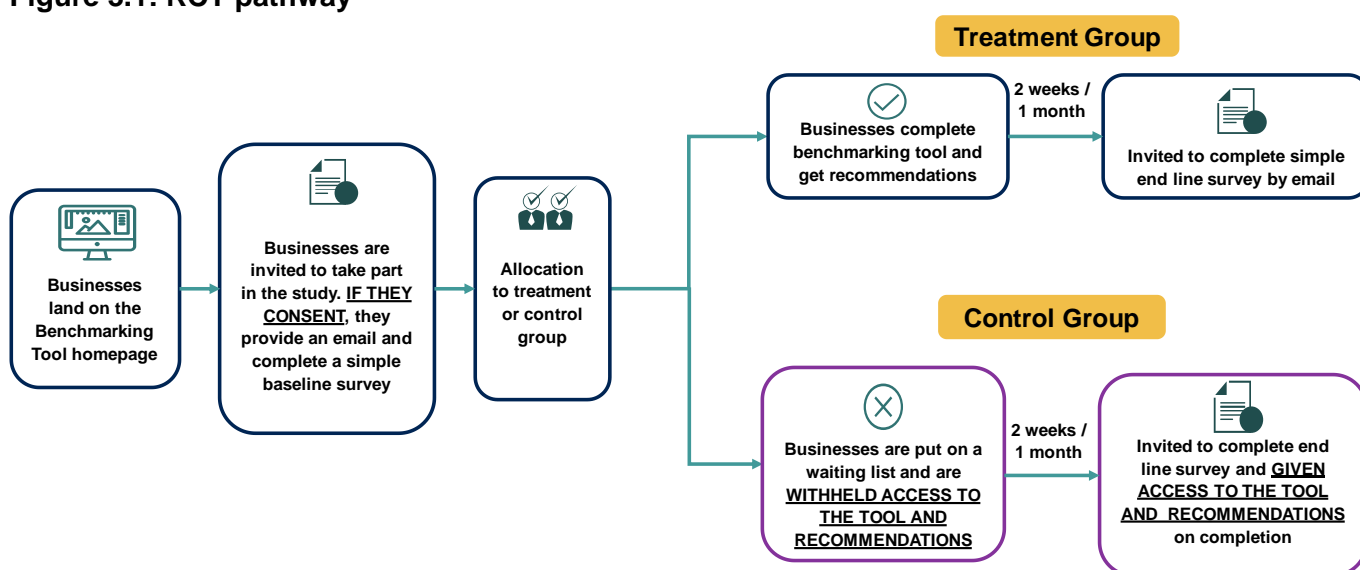
3 RCT Methodology

This section provides an overview of the Randomized Controlled Trial (RCT) approach developed and applied to measure the impact of the Benchmarking and Assessment Tool on four short-term outcomes.

3.1 RCT design

In this RCT the treatment group was represented by UK SMEs that completed the Benchmarking and Assessment Tool and received the Tool’s recommendations. The control group comprised firms who were recruited and put on a waiting list for up to four weeks before gaining access to the Benchmarking Tool (after they had completed an end line survey). Figure 3.1 provides a detailed overview of the RCT pathways for the treatment and control group.

Figure 3.1: RCT pathway



Source: Ipsos MORI

RCT Surveys

The RCT used two telephone surveys – a baseline and end line – to compare outcomes for firms that used the Tool, benchmarking their productivity performance and receiving tailored recommendations (the treatment group), with outcomes for firms that did not receive the equivalent support (control group). The surveys covered four key outcomes that were aligned to the five management practices and short-term outcome variables outlined in the Theory of Change (see Figure 2.1).¹³ The questions were designed to measure changes in end user knowledge and behaviours between the two time points, using a 10 point scale.¹⁴ The end line survey repeated all questions relating to key outcome variables, and also collected evidence on the implementation of recommendations and consent to be contacted for follow-up depth interviews. The full survey questionnaires are set out in Annex B.

¹³ The five management themes are: people and team; leadership and strategy; planning; sales and growth; and digital readiness.

¹⁴ Similar ways of rating management practices are used in other renown management surveys like the ONS Management and Expectations Survey and the World Management Survey run by the Centre for Economic Performance at LSE.

The four key outcomes are listed in Table 3.1. The RCT compared changes in the average scores on each between baseline and endline for treatment and control groups.

Table 3.1: Outcomes of interest

Outcome variables	Expected change in the treatment group
<i>Outcome relating to management and leadership practices</i>	
1. Likelihood of making changes to management and leadership practices	Increase in the likelihood of making changes to management and leadership practices
<i>Outcomes relating to the Theory of Change</i>	
2. How do you think your business performance compares to other businesses of your size / in your sector?	Bidirectional change, in this case it is not possible to predict the sign of the change 'a priori', as this will be different for each firm
3. How motivated are you to improve your business' productivity performance?	Increase in the motivation to improve business productivity
4. How important are management practices to improving business productivity?	Increase in the importance of management practices, to improve business productivity

Source: Ipsos MORI

A summary of the other data collected in the RCT surveys is outlined in Table 3.2. The full RCT telephone questionnaires are provided in Annex B.

Table 3.2: Other data collected in the RCT survey

Baseline survey	End line
<ul style="list-style-type: none"> ▪ Business characteristics (e.g. size, turnover, sector) ▪ Follow up contact details 	<ul style="list-style-type: none"> ▪ Confirmation that the Tool has / has not been completed ▪ Implementation of recommendations (treatment group only) ▪ Interest in completing an in-depth follow-up interview (treatment group only)

Source: Ipsos MORI

RCT caveats and limitations

There are three key caveats that should be considered when interpreting the findings from the impact evaluation:

- The effect of the Tool is expected to be a **marginal shift** in perceptions and understanding of, and likelihood to change, management and leadership practices. The RCT sample size was informed by a literature review of the expected effect of the Tool - 0.18 change between treatment and control, and it is possible that the size of the effect was smaller than expected and therefore a larger sample size would be required to identify a statistically significant effect.
- SME leaders were surveyed within one month of completing the Tool and so the RCT only considered **short-term attitudinal shifts**, rather than more substantial changes to management and leadership practices that could be expected to occur in the medium term.

- The Tool is designed to act as a **catalyst** for more substantial changes to firm level management and leadership practices. Therefore, it is likely that the majority of the impacts of the Tool will ‘spillover’ into the subsequent business support activities that firms undertake – e.g. Mentoring for Growth will be more impactful for firms that have a better understanding of the importance of management and leadership practices, and their own productivity.

3.2 Model specification

The data collected through the baseline and endline survey on the outcomes of interest set out in Table 3.1 were analysed to estimate the Average Treatment Effect (ATE) of the Tool, defined as the mean difference in the measured outcomes, between the treatment and control group. ATE was estimated using regression analysis where the treatment T is represented by a binary indicator, taking the value of 1 for units in the treatment group and a value of 0 for observation if the control group. The final regression specification is reported below:

$$Y_i = \alpha_i + \beta_{i1}T + \beta_{i2}Turnover + \beta_{i3}BusinessMaturity + \beta_{i4}Sector + \beta_{i5}Region + \beta_{i6}FamilyOwned + \varepsilon_i$$

In the above equation:

- Y_i represents the outcomes of interest for firm i (e.g. the likelihood of taking making changes in management practices);
- β_1 is the coefficient associated with the treatment T and measures the average impact of the Benchmarking and Assessment Tool on the firms that had access to its recommendations;
- The other independent variables, turnover, business maturity, sector, region and family owned, were added to control for potential other factors that were likely to affect the outcomes; and
- ε_i is the error term.

4 End user experience

This section presents the results from the baseline and endline surveys undertaken to estimate the impact of the Benchmarking and Assessment Tool on SME leaders. It provides a profile of the business sample before considering evidence from Google Analytics data on *how* the treatment group engaged with the Tool and feedback from the depth interviews.

4.1 Profile of the sample

SME leaders were recruited to the RCT from a population of SME contact details from Dun & Bradstreet.¹⁵ In total, **1,000 businesses** participated in the baseline survey, with equal allocation between the control and treatment groups. However, following data cleaning, the final sample of firms completing the baseline survey consisted of 986 business leaders.¹⁶

Business location

Around half of the SME leaders recruited to the RCT were senior leaders or owners of businesses based in the South of England (46%): comprising firms from the South East (20%), London (15%) and the South West (11%). A full breakdown of RCT participant businesses by location is provided in Table 4.1.

Table 4.1: Baseline survey sample by region

Region	Number of businesses	Percentage of businesses
South East	197	20%
London	146	15%
South West	110	11%
Scotland	99	10%
East of England	85	9%
North West	75	8%
West Midlands	72	7%
East Midlands	63	6%
Yorkshire and the Humber	55	6%
Wales	41	4%
North East	22	2%
Northern Ireland	15	2%
Don't know	6	1%
Total	986	100%

Source: Ipsos MORI baseline survey (2021)

¹⁵ <https://www.dnb.co.uk/>

¹⁶ There were 14 instances where businesses reported having employees at the baseline stage but reported having zero employees at the endline survey stage. These firms were removed as the Tool was not designed for zero employee firms and it was agreed that they would be excluded from the RCT sample.

Business size

The majority of SME leaders that participated in the RCT worked in microbusinesses with fewer than ten employees (86%). The survey sample did not include firms with zero employees because of the Tool's emphasis on management and leadership practices (e.g. staff development and training). Small businesses (19 to 49 employees) made up 12% of the sample. Full employment details of participating firms are detailed in Table 4.2.

Table 4.2: Baseline survey sample by Full Time Equivalent (FTE) employees

No. of FTE	Number of businesses	Percentage of businesses
1 to 4 ¹⁷	694	70%
5 to 9	156	16%
10 to 19	75	8%
20 to 49	44	4%
50 to 99	14	1%
100 to 249	3	0%
Total	986	100%

Source: Ipsos MORI baseline survey (2021)

The majority of SMEs in the RCT sample had turnover of up to £500,000 in the most recent financial year (2019/20) (62%), with turnover between £100,000 and £500,000 being the most commonly reported (31%). Pre-revenue firms and firms generating £10 million or more made up a very small share of the overall sample (see Table 4.3).

Table 4.3: Baseline survey sample by most recent annual turnover (£)

Most recent annual turnover (£)	Number of businesses	Percentage of businesses
Zero – pre revenue/no turnover	21	2%
Less than £50,000 but not zero	142	14%
£50,000 to less than £100,000	143	15%
£100,000 to less than £500,000	305	31%
£500,000 to less than £1 million	97	10%
£1million to less than £10 million	115	12%
£10 million or more	1	0%
Don't know	61	6%
Refused	101	10%
Total	986	100%

Source: Ipsos MORI baseline survey (2021)

Business ownership

Two-thirds (68%) of businesses in the sample were family-owned, lower than the IFB Research Foundation's 2018 estimate that 88% of UK businesses are family owned.¹⁸ Around one in four businesses (28%) were female owned and around one in ten (8%) were owned by someone from an ethnic minority

¹⁷ Firms with no employees were excluded from the sample.

¹⁸ <https://www.ifb.org.uk/media/4306/the-family-business-sector-report-2019-20-briefing.pdf> [Accessed: 05/07/2021]

background - higher than the UK Government's 2019 estimate that 5.1% of SMEs have an ethnic minority owner.¹⁹ A detailed breakdown of the sample's ownership characteristics is presented in Table 4.4.

Table 4.4: Baseline survey sample by owner characteristics

	Family owned business	Female business owner/leader	Ethnic minority business owner/leader
Yes	68%	28%	8%
No	31%	68%	90%
Don't know	1%	3%	2%
Refused	0%	1%	1%
Total	100%	100%	100%

Source: Ipsos MORI baseline survey (2021)

4.2 Engagement with the Tool

Following the baseline telephone survey, SME leaders in the treatment group were sent a link to the Benchmarking and Assessment Tool. Be the Business was able to monitor the treatment group's engagement with the Tool by linking a unique ID in the sample with Google Analytics data. These data were collected between January and April 2021. Ipsos MORI was able to match 63 SME leaders from the treatment group.²⁰ Analysis of their engagement with the Tool is presented below.

Length of session

The treatment group for the RCT were encouraged to complete the Tool within a four week period between their baseline and endline telephone surveys. Of those that went on to complete the Tool, and could be traced using Google Analytics, two thirds completed the Tool just once (63%), with the remaining SME leaders revisiting the Tool more than once (37%) (see Table 4.5.).

Most SME leaders spent between five and ten minutes engaging with the Tool per session. Around one quarter used the Tool for more than ten minutes per session (see Figure 4.1). A comparison with user engagement of the Tool outside of the RCT indicated that **the trial encouraged SME leaders to engage with the Tool for longer than those accessing it through other pathways** (e.g. internet search, referral from another Be the Business programme).

¹⁹ <https://www.ethnicity-facts-figures.service.gov.uk/workforce-and-business/business/leadership-of-small-and-medium-enterprises/latest> [Accessed:05/07/2021]

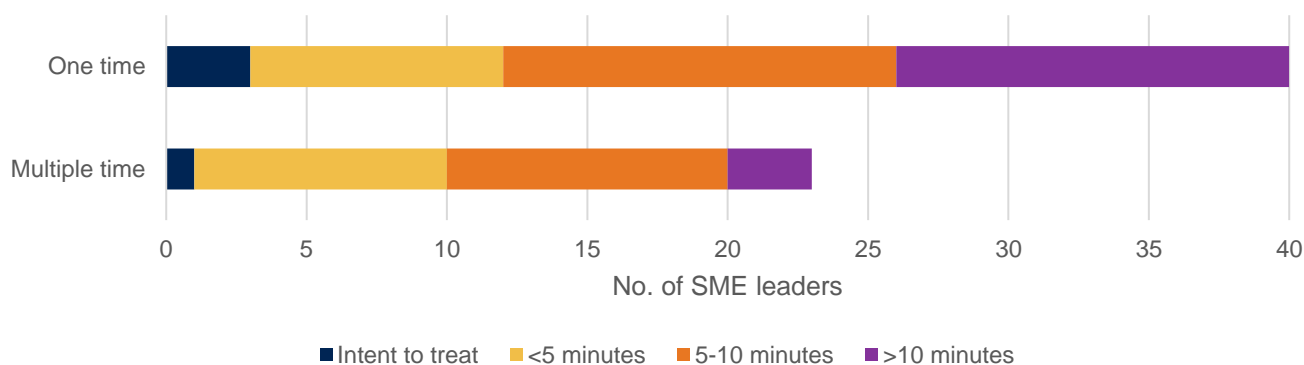
²⁰ In total, there were 192 users of the Tool during the RCT delivery period. It is possible that some of the 129 users not matched with the RCT unique ID were part of the trial but had accessed the Tool via a general internet search and not the unique link provided by Ipsos MORI.

Table 4.5: The treatment group’s average length of session using the Tool

	Single use participants	Multiple use participants	Total
Intent to treat ²¹	3 (5%)	1 (2%)	4 (6%)
<5 minutes	9 (14%)	9 (14%)	18 (29%)
5-10 minutes	14 (22%)	10 (16%)	24 (38%)
>10 minutes	14 (22%)	3 (5%)	17 (27%)
Total	40 (63%)	23 (37%)	63 (100%)

Source: Benchmarking and Assessment Tool Google Analytics data provided by Be the Business (2021)

Figure 4.1: The treatment group’s average length of session using the Tool



Source: Benchmarking and Assessment Tool Google Analytics data provided by Be the Business (2021)

Activity

The Google Analytics data monitored *how* end users engaged with the Benchmarking and Assessment Tool - e.g. whether they completed both elements of the Tool, which of the five key management and leadership practices ‘pillars’ did they complete assessments for. The five pillars that Be the Business established as drivers of productivity are presented in Figure 4.2.

²¹ Intention to treat defined as those who were in the treatment group but did not complete either benchmarking or the assessment side of the Tool.

Figure 4.2: Five ‘pillars’ of productivity



Source: Be the Business background documentation; Ipsos MORI

As the customer journey in Figure 2.2 sets out, end users are invited to benchmark their business productivity and complete an assessment of their management and leadership practices. The latter part of the Tool suggests the pillar for which business leaders most need to improve and provides access to an assessment specific to that pillar. However, users can undertake bespoke assessments for any of the five pillars, not just the one recommended by the diagnostic assessment. Table 4.6. presents an overview of the treatment group’s Tool activity: there is no single aspect that stood out as being most important for SMEs, suggesting that they are all relevant to SME needs. However, People and Team was the most commonly completed.

Figure 4.3: Treatment group Tool activity²²

Tool activity	No. of users
Benchmarking assessment only	25 (40%)
Benchmarking and Sales & Growth assessment	22 (35%)
Benchmarking and Planning Assessment	22 (35%)
Benchmarking and Leadership & Strategy Assessment	25 (40%)
Benchmarking and People & Team Assessment	34 (54%)
Total	63

Source: Benchmarking and Assessment Tool Google Analytics data provided by Be the Business (2021)

Note: SME leaders had the option to complete more than one pillar assessment alongside the benchmarking exercise.

4.3 End user feedback on the Tool

4.3.1 Experience of using the Tool

Of the twelve SME leaders that completed follow-up depth interviews, **consultees tended to have had a positive experience using the Benchmarking and Assessment Tool**: they clearly understood the purpose of the Tool and what was expected of them. In this sense, the Tool was considered to be fit for purpose as a catalyst to improve management and leadership practices: consultees did not expect the Tool itself to generate marked changes to their internal practices and productivity, rather it was a mechanism for reframing their management focus and deepening their awareness of the ways in which productivity can be improved.

End users clearly understood that the Tool was a diagnostic, that would help them to better understand their business performance and business needs. **SME leaders were less clear on whether or not the Tool was intended to act as a catalyst for further action and follow on support**. This came through in the consultation evidence where some end users were uncertain of the ‘next steps’ they should take after receiving their recommendations – one end user explained they would have welcomed some wraparound support to help them understand *how* and *why* the specific recommendations were suited to their business. Two different end users said they would have valued a clearer ‘mission statement’ at the beginning to help them understand that it was the ‘first step’ in their journey – *“it would have been useful to have this context as I felt slightly confused as to what to do next”*.

The Tool either partly or fully met all consultees expectations in terms of time commitment and preparation, the management and leadership themes covered, and the simplicity of the interface. In the instances where expectations were not met, consultees would have valued more specificity in the Tool: e.g. more granular sector classifications for the benchmarking and advice for firms with a very small number of employees. There weren’t areas where it exceeded expectations, as one consultee explained the Tool was *“as [they] hoped it would be – a good quality, easy to use Tool for any business”*.

4.3.2 Usefulness of digital tools

There was consensus amongst end users of the Tool and stakeholder consultees that **digital tools will become an increasingly important mechanism to support businesses**. It was agreed that the

²² Goal 7 ‘Benchmarking + Digital Readiness Assessment’ data was only found for two treatment group users / seven total users and thus is not included in this analysis.

business support landscape was moving towards wider digitisation, but this process had been accelerated, and the needs for it had been compounded, by the ongoing COVID-19 pandemic. End users were particularly positive about the fact the Tool could be accessed at any point and could therefore be easily fit around their schedules, they also appreciated that it covered a broad range of topics so could be revisited as different issues in their business arose. These factors were seen to be especially important to SME leaders in the context of uncertainty surrounding the pandemic and the UK's recent departure from the European Union.

Similarly, End users and stakeholders alike, agreed that the simplicity and ease of access of the Benchmarking and Assessment Tool was its unique contribution to the current business support landscape. As one SME leader explained, *"for business support tools to be useful right now, they need to be digital or at least have a digital side: this is where the world is going"*. A different SME leader thought the structure (e.g. clearly explained steps, streamlined themes) and interface of the Tool (e.g. available digitally, user friendly, quick to complete) was good and should be used as a standard for any digital tools Be the Business goes on to develop.

5 Emerging outcomes

This section presents the evidence collected on the emerging outcomes experienced by end users as a result of completing the Benchmarking and Assessment Tool. It sets out the results from the RCT alongside in-depth insights from the depth interview programme.

5.1 RCT results

Econometric analysis of the RCT results **did not find any statistically significant impact of using the Tool on the key outcomes of interest**, however the results indicated that there was a general positive trend between the two time points for the baseline and end line (i.e. the outcomes moved in line with the expectations set out in the Theory of change). The research team completed twelve follow-up depth interviews with businesses from the RCT treatment group to deepen understanding on why SME leaders reported, or did not report, changes in the key outcomes of interest. Evidence from the RCT and follow up consultations are presented together for both ‘types’ of outcomes - management and leadership practices and productivity - in the following sub sections.

5.1.1 Management and leadership practices

The Theory of Change articulated that completion of the Benchmarking and Assessment Tool can be expected to **deepen SME leaders understanding of management and leadership practices, increasing their likelihood to enact changes**. Therefore, we would expect to observe an increase in the firms in the RCT treatment groups scoring of these two outcomes – respondents were asked to score each outcome before and after the intervention on a scale of one to ten, where one meant not at all likely and ten meant very likely. The RCT results were as follows:

- The coefficients associated with the treatment variable (i.e. that took the value 1 for firms belonging to the treatment group and completing the Tool, and 0 for the control group) suggest that firms completed the Benchmarking and Assessment Tool were more likely to report changes in management and leadership outcomes than the control group. Implying that they:
 - were **more likely to make changes to management and leadership practices** after undertaking the assessment; and
 - had **improved their understanding of the importance of management and leadership practices** following their engagement with the Tool.
- **However, these findings were not statistically significant** and it therefore not possible to attribute the reported changes to the Tool itself. The explanatory power of the regression – i.e. how effectively the specification explains the variation in the variable of interest – was not improved by the inclusion of covariates: business maturity, sector, turnover, region or whether the firm was family owned. This was measured by the R-squared score.²³ (see Table 5.1)

²³ The R-squared is a number between 0 and 1 and shows how much the model is able to explain of the dependent variable. In this instance the R-squared is very low only bring 10%.

Table 5.1: RCT regression results on management and leadership practices

Outcomes	Importance of management practices (outcome 2)	Likelihood of making changes to management practices (outcome 4)
Treatment	0.019	0.260
St. Error	(-0.941)	(-0.456)
Observations	451	451
R-squared	0.1	0.1

Source: Ipsos MORI. *, **, *** show whether the estimated coefficient was significant at the 90, 95, and 99% level of confidence respectively

Evidence from depth interviews with SME leaders from the treatment group provided an insight into why some firms reported improvements to their management and leadership practices.

- **The Tool provided SME leaders with an opportunity to “*pause and reflect on how [they] were running [their] business*”**- many small business leaders are time poor and rarely take the time to re-evaluate the appropriateness and effectiveness of their management and leadership practices. Though the Tool did not necessarily introduce the SME leaders to new concepts, in some cases, it provided an important assessment of their business practices.
- Linked to the above, **the Tool provided some SME leaders with a more formal structure to assess their business** – the five pillars of management and leadership practices were often new categories for the SME leaders and offered a helpful starting point to order their thinking and business strategy. One business leader explained that it helped them to conduct a systematic review of all areas of their business, as opposed to a more ad hoc review as and when issues arose.

Consultation evidence also provided insights into the reasons why some SME leaders **did not** report any changes to their management and leadership practices as a result of using the Tool.

- There was consensus amongst all consultees, even those that reported improvements, that **the Tool’s recommendations were sometimes too general**. This sometimes acted as a barrier to implementing the recommendations, with a few SME leaders explaining that they were not confident that the recommendations were sufficiently tailored to their business.
- Three consultees agreed that **the Tool was better suited to young, more agile businesses than more established SMEs**. They explained that earlier stage business leaders were perhaps more open to new ideas and more confident to implement changes.
 - When asked how the Tool could more effectively foster change amongst established businesses, SME leaders would have valued more tailored recommendations and a follow-on consultation with a business advisor to help them translate the general feedback from the Tool into an action plan for their firm.

5.1.2 The Tool and productivity

The Theory of Change articulated that completion of the Benchmarking and Assessment Tool could be expected to **increase SME leaders’ awareness of relative business performance** and, consequently,

increase **SME leaders' motivation to improve their firm's productivity performance**. As with the management and leadership outcomes, respondents were asked to score each outcome before and after completing the Tool on a scale of one to ten, where one meant not at all likely and 10 meant very likely.

The RCT found that:

- The coefficients associated with the treatment variable (i.e. that took the value 1 for firms belonging to the treatment group and completing the Tool, and 0 for the control group) suggest that firms completed the Benchmarking and Assessment Tool were more likely to report a decrease in their productivity relative to firms in their sector than SME leaders in the control group, suggesting that:
 - The Tool provided SME leaders with **a more accurate understanding of their productivity, relative to firms in their sector** – as set out in the Theory of Change, firms tend to overestimate their productivity, impeding their ability to access support that is truly tailored to their business needs.
- Conversely, firms in the treatment group appeared to be more likely to report a reduced motivation to improve their productivity performance than those in the control group.
- However, as with the management and leadership outcomes, **these findings were not statistically significant** and it therefore not possible to attribute the reported changes in awareness of productivity, or motivations to improve it, to the Tool itself. The explanatory power of the regression was not improved by the inclusion of covariates (see Table 5.2).

Table 5.2: RCT regression results on firm level productivity

Outcomes	Increased awareness of relative business performance	Motivation to improve productivity
Treatment	-0.256	-0.179
St. Error	(-0.266)	(-0.487)
Observations	355	449
R-squared	0.1	0.1

Source: Ipsos MORI. *, **, *** show whether the estimated coefficient was significant at the 90, 95, and 99% level of confidence respectively

5.2 Overall RCT findings

In summary, the results of the Randomised Control Trial conducted on the sample of SME leaders did not provide evidence to support the hypothesis that the Benchmarking and Assessment Tool generated a change in the four outcome variables of interest. It is possible that this could be explained by the RCT sample size and an overestimation of the Tool's expected effect on end users. The RCT design was informed by a literature review of management and leadership practices (see Scoping Report), which suggested that the Tool would generate an effect of 18% on outcomes of interest (e.g. likelihood to make changes to management and leadership practices would increase by 0.18 after completing the Tool). If, given the light touch nature of the Tool, the effect was in fact smaller, then the RCT would require a larger sample of businesses to detect an effect.

6 Cost Benefit Analysis options

This section sets out the high level, basic framework for a Cost Benefit Analysis of the Benchmarking and Assessment Tool that could be undertaken by Be the Business at a later stage.

6.1 Cost benefit analysis

6.1.1 Costs

Following from the Theory of Change, the costs associated with the realisation of the Benchmarking and Assessment Tool can be categorised into those related to the creation of the Tool and those associated with the users of the Tool.

Creation costs

1. **Initial investment from be the Business:** This should account for the money spent to hire the digital developer that created the Tool and other investments made for the platform.
2. **Intelligence:** This should include the pro-bono work undertaken by McKinsey, EY Seren and others that could be monetised by, for example, considering the salary of the McKinsey staff that worked on the research underpinning the 'five pillars' paper.
3. **Be the Business staff costs:** This relates to the Be the Business Staff working on the monitoring of the Tool, R&D and project management and IT (hosting the Tool).
4. **Promotion and Marketing:** any costs associated with informal or formal promotion and marketing campaigns.

Users costs

5. **Time spent of the Tool:** This is the time spent on the Tool by its users and should be quantified in terms of opportunity cost. In other words, this would be represented by the alternative to spending time on the Tool. For workers this would be spending time
6. **Investment made as a result of the Tool:** Business leaders may have incurred costs from implementing recommendations put forth by the Tool.

6.1.2 Benefits

There are three approaches to grouping and monetising benefits that could be considered for a full CBA of the Benchmarking and Assessment Tool. They are presented below from most to least robust:

- **Increases in productivity (GVA per worker)** – The Green Book approach to economic benefits only considers supply side effects (i.e. improvements in Gross Value Added (GVA) per worker).
 - However, this assumes full employment and that resource utilisation will push input prices and reduce demand elsewhere in the economy. In the wake of COVID-19, the UK economy is not

operating at full employment or resource utilisation so growth effects could be considered as an additional economic benefit, albeit temporarily.

- **Increases in productivity by proxy measure** (e.g. turnover per worker)
- **Increases in productivity by indirect measure** – it is possible to review the secondary literature on the average impact of, for example, introducing a particular management practice on productivity, and infer productivity gains from the impact of the Tool on its users.

A CBA should also consider benefits associated with improvements to **employee wellbeing**. The Tool may improve the mental health and wellbeing of workers, which is a valuable (but non-monetisable) benefit that would not necessarily be captured in productivity gains.

7 Conclusions

This final section addresses the three impact evaluation questions, drawing on evidence collected through the RCT and follow up consultations. It concludes with a final set of recommendations for both the Tool and for subsequent evaluations.

EQ1: To what extent has the Tool achieved intended outcomes / impacts on SME leaders?

The evaluation did not find statistically significant evidence to support the hypothesis that the Benchmarking and Assessment Tool directly generated management and leadership and productivity outcomes amongst SME leaders. However, the difference in outcomes reported by SME leaders in the treatment group and those in the control group suggested that the direction of travel was consistent with the Theory of Change e.g. treatment group firms reported an improvement in their understanding of management and leadership practices.

Consultation evidence indicated that the **Tool provided SME leaders with an opportunity to “pause and reflect on how [they] were running [their] business”**, helping them to re-evaluate the appropriateness and effectiveness of their management and leadership practices. Linked to the above, **the Tool provided some SME leaders with a more formal structure to assess their business** – the five pillars of management and leadership practices were often new categories for the SME leaders and offered a helpful starting point to order their thinking and business strategy.

There was consensus amongst all consultees, even those that reported improvements, that **the Tool’s recommendations were sometimes too general**. This sometimes acted as a barrier to implementing the recommendations, with a few SME leaders explaining that they were not confident that the recommendations were sufficiently tailored to their business.

EQ2: What have been the enablers / barriers to the achievement of intended outcomes and impacts?

End user evidence highlighted three key factors that enabled/hindered them to achieve outcomes relating to management and leadership (awareness of practices and understanding of their link to business performance), and productivity (awareness of their productivity relative to peers and motivations to improve it) as a result of completing the Tool.

1. SME leaders with **good digital skills and experience accessing digital business support** reported a clearer understanding of the Tool’s aims and objectives and tended to have expectations that were aligned to the Tool’s design and purposed – i.e. they were more likely to see the Tool as ‘*starter for ten*’ or ‘*initial step to build on*’ than those that were more used to in-person support, who tended to have higher expectations of the Tool to deliver in-depth, bespoke feedback.
2. SME leaders from ‘**newer**’ firms (i.e. had been operating for five years or less) demonstrated **an openness to new ideas and rethinking management and leadership practices** that made them more likely to consider adopting and implementing the recommendations. Comparatively, **more established firms were more likely to dismiss recommendations** because they had either tried them before or felt they were not applicable to their business.

3. The ongoing COVID-19 pandemic enabled outcomes for some firms, and hindered outcomes for others. In some instances, **the pandemic accelerated businesses' move towards digitisation and required them to rethink their business models**. In these cases, end users of the Tool saw real value in both the benchmarking and assessment elements of the Tool and appreciated a moment to consider how their business needed to change in response to the lasting impacts of the pandemic. Conversely, some SME leaders found the pressures placed on their businesses by COVID-19 meant that they did not feel able to pause for reflection – *“we're in survival mode at the moment, I don't have the time to change anything”*.

EQ3: Have there been any unintended / unanticipated outcomes or impacts from the Tool?

There was no evidence collected in the evaluation to suggest that the Tool had generated outcomes outside those articulated in the Theory of Change in the short term. These unintended or unanticipated outcomes and impacts may occur over a longer time period and therefore should be explored in more detail in follow-up impact evaluation

Recommendations

Tool's design

- **Clearer signposting to follow-on support at completion:** Several end users indicated that the usefulness of the Tool would be improved by clearer signposting support at the end and a statement upfront that the Tool is designed to act as a catalyst for further development, rather than a standalone intervention to generate substantial changes to their business immediately. Linked to this, two end users expressed an interest in a 'glossary' of business support terms to help them to decide what follow-on business support they needed.
- **Offer complementary sessions with business advisors to embed learning:** when asked how the Tool could more effectively foster change amongst established businesses, SME leaders reported that a follow-up conversation with a business advisor would have helped them to fully understand how to apply their recommendations, why they were suited to their business and the next steps they needed to take (i.e. access follow-on support).

Future evaluations

- **Revisit the impact of the Tool with secondary data:** the RCT sought to measure short-term outcomes for SME leaders within four weeks of completing the Tool (e.g. attitudinal and behavioural changes), it did not consider the longer-term outcomes associated with implementation of new management and leadership practices, or follow-on support. Further consideration of the longer-term outcomes, using datalinking to secondary administrative datasets will provide further insights into the impact of the Tool in the medium and longer term.
- **Consider the impact of the Tool in conjunction with other follow-on support (e.g. Mentoring for Growth, Productivity through People):** the Tool is designed to act as a catalyst for firms to access support that is tailored to their actual business needs, not to their perceived business needs. The impact of the Tool is likely to spill over into the follow-on behaviour of SME leaders and therefore considering the Tool in isolation of the follow-on activity is likely to lead to an underestimation of its impact.

- **Undertake contextual research to inform highly specified hypothesis:** given the catalytic nature of the Tool and the variety of outcomes that SMEs could achieve, it would be worthwhile for Be the Business to undertake research to understand what works, for whom, in what context – i.e. what are the wider factors at play in an SME leaders experience of using the Tool (e.g. motivations, existing business issues)? How and at what scale might these influence outcomes? Clearer insights into these elements will help to refine the research questions, or hypotheses, ultimately capturing the fuller impact of the Tool and understanding the context in which it is most effective.

Annex A: Survey questionnaire

Introduction

Welcome to this short evaluation survey for the Be the Business Benchmarking and Assessment Tool. It should take no longer than 10 minutes to complete. The survey is being administered by Ipsos MORI on behalf of Be the Business. The findings will be used to inform an independent evaluation of the Benchmarking and Assessment Tool. The feedback you provide will be used to inform recommendations for the ongoing development of the Tool, as well as wider support for businesses like yours.

Participation in this survey is completely voluntary and the feedback you provide will be treated in the strictest confidence. Your responses will not be attributed to you and will only be reported in aggregate. We will retain your contact details and your responses to the survey for the duration of the evaluation for analysis purposes and this data will be destroyed within three months of the evaluation report being published.

If you have any questions about the survey of the evaluation, please contact the evaluation Project Manager, Madeleine Thornton (madeleine.thornton@ipsos.com), or Richard Appell, Evaluation and Insights Manager at Be the Business (Richard.Appell@bethebusiness.com).

By clicking on 'Next' below you are agreeing to participate in the survey.

Questionnaire

A: Introduction

ASK ALL

A1. Tool beneficiary

Can you confirm that you have used the Be the Business Benchmarking and Assessment Tool?

SINGLE CODE

1. Yes
2. No
3. I can't remember

ASK IF '3' TO Q1

A1a. Tool beneficiary check

You said you could not remember whether you had completed the Benchmarking and Assessment Tool. Here is some additional information that might help you to remember:

The Tool is an online initiative developed by Be the Business to help SME leaders improve their business performance. The Tool has two parts: an assessment of business performance against five key management themes and a benchmarking assessment of productivity, which ranks business productivity relative to other firms in the same sector. Below are some screenshots of the two parts:

[SCREENSHOT OF BENCHMARKING AND ASSESSMENT ELEMENTS]

Do you remember using the Benchmarking and Assessment Tool?

SINGLE CODE

1. Yes
2. No
3. I still can't remember.

END SURVEY IF '2' TO Q1, OR "2" OR "3" TO Q1A AND SHOW FOLLOWING TEXT

Thank you for taking the time to participate in this survey. Unfortunately, we are only interested to speaking with individuals who have completed the Tool and can remember doing so. If you are interested in finding out more about the Tool you can visit the Be the Business website: www.bethebusiness.com.

If you have any questions please contact the evaluation Project Manager, Madeleine Thornton (madeleine.thornton@ipsos.com), or Richard Appell, Evaluation and Insights Manager at Be the Business (Richard.Appell@bethebusiness.com).

ASK ALL

A2 Benchmarking elements

The Benchmarking and Assessment Tool enables you to a) benchmark your business productivity against other businesses in your sector and b) assess your management practices. Did you complete both of these elements of the Tool?

1. Yes, I completed both the Benchmarking and Assessment Tool
2. No, I just completed the Benchmarking Tool
3. No, I just completed the Assessment Tool
4. No, I did not complete either
5. I don't remember.

ASK IF '5' TO Q2

A2a. Benchmarking elements check

You said you could not remember which elements of the Benchmarking and Assessment Tool you completed. Here is some additional information that might help you to remember:

The Tool is an online initiative developed by Be the Business to help SME leaders improve their business performance. The Tool has two parts: an assessment of business performance against five key management themes and a benchmarking assessment of productivity, which ranks business productivity relative to other firms in the same sector. Below are some screenshots of the two parts:

[SCREENSHOT OF BENCHMARKING AND ASSESSMENT ELEMENTS]

Do you remember completing both elements of the Benchmarking and Assessment Tool?

1. Yes, I completed both the Benchmarking and Assessment Tool
2. No, I just completed the Benchmarking Tool
3. No, I just completed the Assessment Tool
4. No, I did not complete either
5. I don't remember.

END SURVEY IF '4' OR '5' TO Q2a SELECTED AND SHOW FOLLOWING TEXT:

Thank you for taking the time to participate in this survey. The remainder of the survey asks for specific details on the two elements of the Tool and will require participants remembering details of their engagement. If you are interested in finding out more about the Tool you can visit the Be the Business website: www.bethebusiness.com.

If you have any questions please contact the evaluation Project Manager, Madeleine Thornton (madeleine.thornton@ipsos.com), or Richard Appell, Evaluation and Insights Manager at Be the Business (Richard.Appell@bethebusiness.com).

B: About your business

Now we'd like to ask you some questions about you and your business. Please be assured that all information you provide will be treated in confidence, stored securely and used only for the purposes of the evaluation.

ASK ALL

B1. Interviewee role

Firstly, it would be helpful for us to understand your position in your company. Which of the following statements best describes your role in the company?

SINGLE CODE

1. Business owner
2. Chief Executive
3. Other key strategic decision maker
4. Manager in the company involved in some key decisions
5. Employee not involved in key decisions
6. Other – ALLOW OPEN TEXT
7. Prefer not to say

ASK ALL

B2. Sector

Which of the following best describes the industry that your business operates in? Please select one from the drop-down list.

SINGLE CODE (DROP DOWN LIST)

1. Accommodation
2. Administrative and support service activities
3. Agriculture, forestry and fishing
4. Arts, entertainment and recreation
5. Construction
6. Creative, arts and entertainment activities: Libraries, archives, museums and other cultural activities; Gambling and betting activities
7. Education
8. Electricity, gas, steam and air conditioning supply
9. Food and beverage service activities
10. Human health and social work activities
11. Information and communication
12. Insurance, reinsurance and pension funding, except compulsory social security
13. Manufacture of food products and beverages
14. Manufacture of textiles, wearing apparel and leather and related products
15. Manufacture of tobacco products
16. Manufacturing

17. Mining and quarrying
18. Motion picture, video and television programme production, sound recording and music publishing activities; Programming and broadcasting activities
19. Other professional, scientific and technical activities; Veterinary activities
20. Other service activities
21. Professional, scientific and technical activities
22. Real estate activities
23. Transportation and storage
24. Waste collection, treatment and disposal activities: Remediation activities and other waste management services
25. Water collection, treatment and supply and sewerage
26. Water supply; Sewerage, waste management and remediation activities
27. Wholesale and retail trade; Repair of motor vehicles and motorcycles
28. Other
29. Prefer not to say

ASK ALL

B3. Size employees

How many people in total (including you) work in your business?

SINGLE CODE

1. 0-5
2. 6-10
3. 11-15
4. 16-50
5. 50-100
6. 10-249
7. 250+
8. Don't know

ASK ALL

B4. Size turnover

What was your business' annual turnover in the most recent financial year?

SINGLE CODE

1. N/A - Pre-revenue
2. Up to £10k
3. £11k to £25k
4. £26k to £100k
5. £101k-£500k
6. £501k-£1m
7. More than £1m.
8. Don't know

ASK ALL

B5. Business age

How old is your business?

SINGLE CODE

1. <1 year
2. 1-2 years

3. 2-5 years
4. 5-10 years
5. >10 years
6. Don't know

ASK ALL

B6. Business location

Where is your business located? If you have more than one location, please choose the location of your Head Office.

SINGLE CODE

1. East Midlands
2. East of England
3. London
4. North East
5. North West
6. South East
7. South West
8. West Midlands
9. Yorkshire and the Humber
10. Outside of the UK

ASK ALL

B7. Business growth ambitions

At the time you completed the Tool, which of the following best described your business's growth ambitions?

SINGLE CODE

1. Intended to grow employment and / or turnover by up to 10%
2. Intended to grow employment and / or turnover by to 25%
3. Intended to grow employment and / or turnover by up to 50%
4. Intended to grow employment and / or turnover by up to 100%
5. Intended to grow employment and / or turnover by over 100%
6. No growth ambitions
7. Don't remember
8. Don't know

C: User experience

Next, we are going to ask you about your experience of using the Tool and your motivations for completing it.

ASK ALL

C1. Recruitment

How did you first become aware of the Tool?

SINGLE CODE

1. Be the Business email / newsletter
2. Be the Business launch event
3. Be the Business website

4. From other support received from Be the Business (e.g. Mentoring for Growth, Productivity through People, Collaborative Networks programme)
5. Social media
6. Search engine (e.g. Google)
7. Referral from other business support organisation (e.g. Growth Hub, Federation of Small Businesses)
8. Other, please specify [Open text]
9. Don't remember

ASK ALL

C2. Motivations

What were your reasons for using the Tool?

MULTI CODE

1. To improve my business performance
2. To compare my business performance to others in my sector
3. To increase my business competitiveness
4. To improve my business management practices
5. To complement other support from Be the Business
6. To address a specific business issue, please specify [Open text]
7. Other, please specify [Open text]
8. Don't recall

ASK ROWS THAT ARE RELEVANT TO RESPONDENT BASED ON RESPONSES TO QA2

C3. Usefulness

How useful did you find each of the following elements of the Tool?

SINGLE CODE – GRID

Row:

1. Benchmarking my business against others in my sector
2. Diagnosing areas for my business to develop
3. The recommendations for my business

Column:

1. Very useful
2. Fairly useful
3. Not very useful
4. Not at all useful
5. Not relevant
6. Don't know

ASK ALL

C4. Revisited Tool

Have you revisited the Tool after your first use?

SINGLE CODE

1. Yes, to complete the Tool again
2. Yes, to access my results
3. Yes, to complete the Tool again and to access my results
4. No
5. Don't remember

ASK ALL

C5. Design strengths

What do you think worked well about how the Tool is designed and delivered?

OPEN TEXT

1. [OPEN TEXT]
2. Don't know

ASK ALL

C6. Design improvements

What do you think worked less well about how the Tool is designed and delivered? How do you think this could be improved?

OPEN TEXT

1. [OPEN TEXT]
2. Don't know

D: Benefits of using the Tool

Next, we are going to ask you about the benefits of using the Tool for you and your business.

ASK ALL

D1. Initial benefits

To what extent did using the Tool lead to an increase in your...

SINGLE CODE - GRID

Annex B: RCT questionnaire DRAFT

Baseline survey

INTERVIEWER INSTRUCTIONS IN BLUE

ROUTING/SCRIPTING INSTRUCTIONS IN GREEN

DATASHEET QUESTIONS INDICATED IN PINK

A: Introduction

ASK FOR NAMED RESPONDENT

Good <morning, afternoon, evening>. My name is ... from Ipsos MORI, the independent research organisation. We are conducting research to help SMEs improve their business performance. This is on behalf of Be the Business, which is a not-for-profit organisation, funded by the Government to deliver support to SMEs. We are carrying out short 10-minute interviews with businesses to inform an evaluation of an online Benchmarking and Assessment Tool. The Tool is designed to help businesses, like yours, become more informed about their current performance and how to improve it in the future. You should have received an email about this in the past few days. To thank you for your participation, we are offering an incentive of £10; if you qualify and complete the survey. The incentive is paid in the form of a Love2Shop e-voucher and is sent to you by email after the research has been completed. You should expect to receive your Love2Shop e-voucher around the end of February 2021.

CHECK IF INTERESTED IN TAKING PART AND GIVE MORE INFORMATION

Ipsos MORI has been appointed to deliver an evaluation of the Be the Business Benchmarking and Assessment Tool. As part of the evaluation, we are conducting a Randomised Control Trial or RCT for short. This essentially involves contacting a group of businesses and asking half of them to use the Tool to assess their business performance. Those who complete the Tool are then compared with those who have not across a range of factors that the Tool aims to help SMEs to develop.

This short telephone interview forms part of the RCT. The purpose of the interview is to collect some information on your business and factors that might be influenced by using the Tool.

READ IF TREATMENT GROUP only: At the end of the survey you will be sent an email with a link to the Tool and asked to complete this. It should take you no more than 5 minutes. The Tool aims to help you become more informed about your current business performance and how to improve it in the future. It would be great if you could start thinking of a time in the next few days when you could complete the Tool. In around one month you will be re-contacted to participate in a shorter follow-up survey. This will gather your feedback on how useful you found the Tool and any impact this has had or is likely to have on your business. Your feedback on the effectiveness and impact of the Tool will be really valuable to Be the Business. It will help inform how they can further develop the Tool in future to make it as useful as possible for businesses like yours.

READ IF CONTROL GROUP only: In around one month you will be re-contacted to participate in a shorter follow-up survey, which will ask similar questions to those in this initial survey. You will then be sent an email with a link to the Tool should you wish to complete this at your own convenience. Your feedback in both surveys will be really valuable to Be the Business. It will help inform how they can further develop the Tool in future to make it as useful as possible for businesses like yours.

READ TO ALL: We recognise that the coronavirus pandemic has placed increasing pressure on many businesses as they had had to adapt to changes in demand, new working patterns or to support the COVID-19 response. However, we would greatly appreciate your input to this research if you can spare the time – the interview should take no longer than 10 minutes.

ASK IF NAMED RESPONDENT IS NOT A KEY DECISION MAKER OR BUSINESS LEADER

We would like to talk with someone at your organisation that is a key decision maker in business operations and management.

IF RESPONDENT NOT RECEIVED EMAIL

We can send you an email with details of the evaluation now and arrange the interview once you have read through at a time of your choosing. [CONTINUE INTERVIEW IF RESPONDENT HAPPY TO PROCEED].

ASK ALL

A1. Voluntary

Are you happy to proceed with the interview?

IF NECESSARY: If you would like to read the Privacy Notice beforehand you can access it online at <https://ipsos.uk/xxx> or we can send it to you via email.

I also just need to let you know that your call will be recorded for training and quality control purposes.

IF ASKED: Ipsos MORI will hold personal data for quality control and reporting purposes until December 2021, after which time we will securely delete all personally identifiable data from our systems

SINGLE CODE

1. Yes
2. No

ASK ALL

A2. Tool completion

Before we begin, can you confirm if you have already completed the Benchmarking and Assessment Tool?

SINGLE CODE

1. Yes – I have completed the Tool
2. No – I have not completed the Tool
3. Don't know/can't remember

END SURVEY IF '1 or 3' TO QA2 AND SHOW FOLLOWING TEXT

Thank you for taking the time to participate in this survey. Unfortunately, we are only interested in speaking with individuals who have not yet completed the Tool at this point in time. If you are interested in finding out more about the Tool you can visit the Be the Business website: www.bethebusiness.com.

If you have any questions please contact the evaluation Project Manager, Madeleine Thornton (madeleine.thornton@ipsos.com), or Richard Appell, Evaluation and Insights Manager at Be the Business (Richard.Appell@bethebusiness.com).

ASK ALL

A3. Screen3

Could I book an appointment to ask for your views and experiences? The survey should take no longer than 10 minutes. We can also complete the survey now if convenient.

I would like to assure you that all the information we collect will be kept and managed in accordance to the data regulation legislation. If you would like further information about the evaluation you can contact Harry Williams from Ipsos MORI.

IF ASKED PROVIDE HARRY'S NUMBER AGAIN: 020 3059 4967.
(this can also be found in the recruitment email).

SINGLE CODE

1. Yes
2. Can interview now
3. Wants more information by email **SEND REASSURANCE EMAIL WITH DATASHEET**
4. No, any other outcome **RECORD REASON FOR REFUSAL. THANK AND CLOSE**

REASSURANCES IF NECESSARY

- Your details were obtained from Dunn and Bradstreet
- If you have any questions relating to the evaluation you can contact Richard Appell at Be the Business on Richard.Appell@bethebusiness.com.
- Taking part is completely voluntary – you are free to stop the interview at any time and you do not need to provide a reason
- The information you provide will be stored confidentially
- The information you provide will be used to inform an evaluation of the Benchmarking and Assessment Tool
- The final report of the evaluation will be published on the Be the Business website, but the findings will be in aggregate form and you will not be mentioned in the report or identifiable from the findings
- We need to talk to a wide range of different types of businesses as part of the evaluation
- You will only be asked questions directly relevant to the evaluation
- We can share some of the questions with you by email, to help you find the right person to take part.

B: Business characteristics

The next set of questions are about your business. These are really important to help us understand the profile of businesses that have participated in the study by factors such as size, region and sector and to determine which businesses are likely to benefit most from the Benchmarking and Assessment Tool. The questions seek to capture the data outlined to you in the recruitment email.

ASK ALL WITH CRN IN SAMPLE

B1. CRN

I'd like to begin by confirming your business Company Registration Number (CRN), is it **[READ OUT FROM DATASHEET]**
SINGLE CODE

1. Yes
2. No - **ALLOW DK AND REFUSED**

ASK ALL WITH WRONG CRN (CRN = 2 OR DK) OR NONE IN SAMPLE

B1A. CRNNew

What is your business Company Registration Number (CRN)?
SINGLE CODE

RECORD NEW CRN ALLOW TEXT BOX, DK AND REFUSED

ASK ALL

B2. Employment

According to our data, your business has **[READ OUT FROM DATASHEET]** full time equivalent staff in total. Is that correct? **ADD AS NECESSARY** I can assure you that that your answer will be treated as confidential and stored securely. **ADD AS NECESSARY** By full time equivalent staff we mean how many hours staff work against the total needed to work full time. For instance an employee working 20 hours a week would be half a full time equivalent member of staff.

NOTE FOR INTERVIEWER – Please include all UK based staff and any furloughed staff

1. Yes

2. No - ENTER NUMBER OF FTE ALLOW TEXT BOX
THANK AND CLOSE IF GREATER THAN 250
ALLOW ZERO, DK AND REFUSED

ASK IF DK AT B2 (Employment)

B2A. EmploymentBand

Were there approximately...?

READ OUT

SINGLE CODE

1. None
2. 1-4
3. 5-9
4. 10-19
5. 20-49
6. 50-99
7. 100-199
8. 200-249
9. 250+ - THANK AND CLOSE
10. Don't know

ASK ALL

B3. Turnover

What was your turnover in the last financial year?

ENTER AMOUNT IN £ ALLOW TEXT BOX
SOFT CHECK IF GREATER THAN £1 million
ALLOW ZERO, DK AND REFUSED

ASK IF DK AT B3 (Turnover)

B3a. TurnoverBand

Was it approximately...?

READ OUT BANDS

SINGLE CODE

1. Zero – pre revenue/no turnover
2. Less than £50,000 but not zero
3. £50,000 to less than £100,000
4. £100,000 to less than £500,000
5. £500,000 to less than £1 million
6. £1million to less than £10 million
7. £10 million or more
8. Don't know
9. Refused

ASK ALL

B4. FamilyOwned

Is your business family owned?

SINGLE CODE

DO NOT READ OUT

1. Yes
2. No
3. Don't know

4. Refused

ASK ALL

B5. Sector

Does your business primarily operate in [SECTOR FROM DATASHEET]?

SINGLE CODE

DO NOT READ OUT – PROMPT TO CODE - IF RESPONDENT ANSWERS YES THEN TYPE IN SAME SECTOR AS IN QUESTION TEXT

1. Accommodation & food services
2. Agriculture, forestry & fishing
3. Arts, entertainment, recreation & other services
4. Business administration & support services
5. Construction
6. Education
7. Finance & insurance
8. Health
9. Information & communication
10. Motor trades
11. Production
12. Professional, scientific & technical
13. Property
14. Retail
15. Transport & Storage (inc. postal)
16. Wholesale
17. Other: WRITE IN
18. Prefer not to say

ASK ALL

B6. BusinessLocation

Is your business still based in [REGION FROM DATASHEET]?

DO NOT READ OUT – PROMPT TO CODE - IF RESPONDENT ANSWERS YES THEN TYPE IN SAME REGION AS IN QUESTION TEXT

SINGLE CODE

1. East Midlands
2. East of England
3. London
4. North East
5. North West
6. South East
7. South West
8. West Midlands
9. Yorkshire and the Humber
10. Scotland
11. Wales
12. Northern Ireland
13. Not in the UK

ASK ALL WITH BUSINESS AGE IN SAMPLE

B7. BusinessAge

According to our data, your business was founded in [YEAR FROM DATASHEET], is that correct?

1. Yes
2. No

ALLOW DK AND REFUSED

ASK ALL WITH WRONG YEAR (BUSINESS AGE = 2 OR DK) OR NONE IN SAMPLE

B7A. BusinessAgeNew

In which year was the business founded?

SINGLE CODE

RECORD NEW BIRTH ALLOW TEXT BOX, DK AND REFUSED

ASK ALL

B8. OwnerGender

Is your current business owner female?

SINGLE CODE

DO NOT READ OUT

1. Yes
2. No
3. Don't know
99. Refused

ASK ALL

B9. OwnerEthnicity

Is your current business owner from an ethnic minority background?

SINGLE CODE

DO NOT READ OUT

1. Yes
2. No
3. Don't know
99. Refused

x: Outcome variables

I will now ask you a series of question about your business practices.

ASK ALL

C1. MgmtPractice

The Tool enables businesses to evaluate their performance against a set of five management practices. By management practices I mean things like your approaches to managing people and teams; sales and growth; digital readiness; planning; and leadership and strategy.

At this point in time, how likely would you be to make changes to your management practices on a scale of 0 to 10, where 0 is not at all likely and 10 is very likely?

SINGLE CODE

DO NOT READ OUT

1. 0 – not at all likely
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7

9. 8
10. 9
11. 10 – very likely
12. Don't know
13. Refused

ASK ALL

C2. MPIimportance

How important do you think management practices are to improving business productivity on a scale of 0 to 10, where 0 is not at all important and 10 is very important. **ADD AS NECESSARY** in this case productivity means the Gross Value Added per worker (e.g. the price a loaf of bread is sold at, minus the cost of the ingredients to make it).

SINGLE CODE

DO NOT READ OUT

1. 0 – not at all important
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – very important
12. Don't know
13. Refused

ASK ALL

C3. ProdBenchmark

The second element of the Tool is a benchmarking exercise that enables businesses to compare their productivity performance against other businesses in their sector. **ADD AS NECESSARY** in this case productivity means the Gross Value Added per worker (e.g. the price a loaf of bread is sold at, minus the cost of the ingredients to make it).

At this point in time, how would you rate the productivity performance of your business relative to other businesses in your sector on a scale of 0 to 10, where 0 is much less productive and 10 is much more productive?

SINGLE CODE

1. 0 – much less productive
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – much more productive
12. Don't know
13. Refused

ASK ALL

C4. ProdMotivation

At this point in time, how motivated would you say you are to improve the productivity performance of your business, on a scale of 0 to 10, where 0 is not at all motivated and 10 is very motivated?

SINGLE CODE

1. 0 – not at all motivated
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – very motivated
12. Don't know
13. Refused

D: Next steps

ASK ALL

D0. Voucher

To thank you for your participation, we are offering an incentive of a £10 Love2Shop e-voucher. Are you able to confirm you are happy to receive this?

SINGLE CODE

1. Yes
2. No

ASK ALL

D1a. Endline

Thank you for providing answers to these questions. Can I confirm that you would be happy for us to contact you in for a quick five to eight minute follow up survey to discuss how the tool and Be the Business can help businesses like yours?

SINGLE CODE

1. Yes
2. No

ASK ALL AGREEING TO VOUCHER OR ENDLINE (CODE 1 AT D0 OR D1a)

D1. Email contact

Thank you for providing answers to these questions. Can I confirm [READ OUT EMAIL ADDRESS FROM DATABASE] is the best email to contact you on?

SINGLE CODE

1. Yes
2. No - RECORD NEW EMAIL ALLOW TEXT BOX

READ OUT TO ALL

Thank you. [READ IF TREATMENT GROUP only] We would now like you to complete the Benchmarking and Assessment Tool. We will send you a link to the Tool by email immediately after this call. [READ TO ALL] We will also send you an email with the £10 voucher for your participation in this research. You will be recontacted in around one month to answer a short survey follow up survey, [READ IF TREATMENT GROUP only] including questions on the impact the Tool has had.

ASK ALL

D3. DataLink

It is sometimes possible to link the data we have collected with other data from Government statistics to enable further statistical analysis. Would you be happy for this to be done?

ADD IF NECESSARY: Your anonymity will be maintained, and linked data will be anonymised and only used for statistical purposes.

SINGLE CODE

1. Yes
2. No

THANK AND CLOSE

READ OUT TO ALL

You can access the privacy notice online at www.xxx and can also contact the compliance team by email or by post with the following information [INTERVIEWER: PLEASE READ THE INFORMATION DISPLAYED ON SCREEN]

Email: compliance@ipsos.com with “20-050770-01 Be the Business Benchmarking Tool” in the email subject line.

Post: 20-050770-01 Be the Business Benchmarking Tool

Data Protection Officer
Compliance Department
Ipsos MORI UK Limited
3 Thomas More Square
London E1W 1YW
United Kingdom

End line survey

A: Introduction

ASK FOR NAMED RESPONDENT AND CONFIRM THEY COMPLETED THE BASELINE SURVEY

Good <morning, afternoon, evening>. My name is ... from Ipsos MORI, the independent research organisation. As you know, we are conducting research on behalf of Be the Business, a not-for-profit organisation delivering support to SMEs to improve their business performance.

Thank you for completing our initial survey a few weeks ago. I'm getting in touch now for the follow-up survey to gather important data to inform our experiment to test the Be the Business Benchmarking and Assessment Tool, [READ IF TREATMENT GROUP only] this will include some specific questions relating to the impact the Tool may or may not have had on your business. [READ TO ALL] Your feedback on the effectiveness and impact of the Tool will help Be the Business develop the Tool further so it can be more helpful to SMEs like yours in the future.

TREATMENT GROUP - TOOL LINK SENT ONLY:" to "TREATMENT GROUP - TOOL LINK SENT ONLY: CHECK IF COMPLETED TOOL.

READ OUT TO ALL We recognise that the coronavirus pandemic has placed increasing pressure on many businesses as they had had to adapt to changes in demand, new working patterns or to support the COVID-19 response. However, we would greatly appreciate your input to this research if you can spare the time – the interview should take no longer than 10 minutes.

ASK ALL

A1. Voluntary

Are you happy to proceed with the interview?

SINGLE CODE

1. Yes
2. No

ASK ALL

A2. CompletedTool

Since your telephone interview in [DATE], have you completed the Benchmarking and Assessment Tool?

SINGLE CODE

1. Yes
2. No – didn't receive email
3. No – has not had time
4. No – other

ASK ALL

A3. OtherSupport

Since your telephone interview in [DATE], have you undertaken any management or productivity related assessments of your businesses not delivered by Be the Business?

SINGLE CODE

1. Yes – ALLOW TEXT BOX
2. No
3. Don't know
4. Prefer not to say

B: Outcome variables

I will now ask you a series of question about your business practices.

ASK ALL

C1. MgmtPractice

The Tool enables businesses to evaluate their performance against a set of five management practices. By management practices I mean things like your approaches to managing your people and teams; sales and growth; digital readiness; planning; and leadership and strategy.

At this point in time, how likely would you be to make changes to your management practices on a scale of 0 to 10, where 0 is not at all likely and 10 is very likely?

SINGLE CODE

1. 0 – not at all likely
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – very likely
12. Don't know
13. Refused

ASK ALL

C2. MPIimportance

How important do you think management practices are to improving business productivity on a scale of 0 to 10, where 0 is not at all important and 10 is very important.

SINGLE CODE

1. 0 – not at all important
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – very important
12. Don't know
13. Refused

ASK ALL

C3. ProdBenchmark

The second element of the Tool is a benchmarking exercise that enables businesses to compare their productivity performance against other businesses in their sector. ADD IF NECESSARY, in this case productivity means the Gross Value Added per worker (e.g. the price a loaf of bread is sold at, minus the cost of the ingredients to make it).

At this point in time, how would you rate the productivity performance of your business relative to other businesses of your size and sector on a scale of 0 to 10, where 0 is much less productive and 10 is much more productive?

SINGLE CODE

1. 0 – much less productive
2. 1
3. 2
4. 3

5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – much more productive
12. Don't know
13. Refused

ASK ALL

C4. ProdMotivation

Again, at this point in time, how motivated would you say you are to improve the productivity performance of your business, on a scale of 0 to 10, where 0 is not at all motivated and 10 is very motivated?

SINGLE CODE

1. 0 – not at all motivated
2. 1
3. 2
4. 3
5. 4
6. 5
7. 6
8. 7
9. 8
10. 9
11. 10 – very motivated
12. Don't know
13. Refused

ASK TREATMENT GROUP ONLY WHO COMPLETED TOOL (A2 = 1)

C5. Recommendations

Have you implemented any of the recommendations provided to you by the Tool? IF YES, PROBE FOR DETAILS.

SINGLE CODE

1. Yes ALLOW TEXT BOX
2. No
3. Don't know
4. Refused

ASK TREATMENT GROUP ONLY AND "2" to C5

C6. NoRecommendations

Why have you not implemented any recommendations provided to you by the Tool?

MULTI CODE

1. General time / capacity constraints
2. COVID-19 related time / capacity constraints
3. Not enough time has passed since completing the Tool
4. Recommendations are not currently relevant because of COVID-19
5. Other ALLOW TEXT BOX
6. Don't know
7. Refused

ASK TREATMENT GROUP ONLY WHO COMPLETED TOOL (A2 = 1)

C7. Business benefits

Have there been any tangible benefits to your business so far from completing the Tool?

SINGLE CODE

1. Yes **ALLOW TEXT BOX**
2. No

ASK IF TREATMENT GROUP AND "1" TO C7

C8. Business benefits details

Please could you provide some detail on the benefits you have experienced to date?

DO NOT READ OUT. PLEASE CODE AS "OTHER" IF UNSURE

MULTI-CODE EXCEPT DK

1. Improved productivity
2. Improved business resilience
3. Changes in management practices
4. Knowledge of management practices
5. Further support accessed
6. Improved confidence
7. Undertook independent research into management practices
8. Other - **ALLOW TEXT BOX**
9. Don't know
20. Refused

C: Follow on research

ASK TREATMENT GROUP ONLY

H2. Case Study

Would you be happy to be contacted by Ipsos MORI in the next few months to discuss potentially participating in a case study interview about the impact of the Tool on your business? This would be a more in-depth discussion about any changes brought about by the Tool. You do not have to commit to the interview now, just let us know if you would be willing to be re-contacted for this purpose.

SINGLE CODE

1. Yes
2. No

READ OUT TO ALL

You can access the privacy notice online at www.xxx and can also contact the compliance team by email or by post with the following information [INTERVIEWER: PLEASE READ THE INFORMATION DISPLAYED ON SCREEN]

Email: compliance@ipsos.com with "20-050770-01 Be the Business Benchmarking Tool" in the email subject line.

Post: 20-050770-01 Be the Business Benchmarking Tool

Data Protection Officer
Compliance Department
Ipsos MORI UK Limited
3 Thomas More Square
London E1W 1YW
United Kingdom

THANK AND CLOSE

Annex C: List of consultees

Table A1 provides the details of stakeholder consultees. End user consultee details are not provided due to the small number, to maintain confidentiality.

Table C1: List of stakeholder consultees

Name	Position	Organisation
Kevin Saldana	Government stakeholder	BEIS
Tatjana Abramova	Digital development partner	Beyond
Alastair Williamson-Pound	Product owner - benchmarking	Be the Business
Louise Sunderland	Director of Programmes	Be the Business
Tom Gibson	Head of Digital	Be the Business
Roxy Dara	Senior Manager	EY Seren
Antony Cooper	New digital development partner	Firefly
Tera Allas	CBE	McKinsey & Company

Our standards and accreditations

Ipsos MORI's standards and accreditations provide our clients with the peace of mind that they can always depend on us to deliver reliable, sustainable findings. Our focus on quality and continuous improvement means we have embedded a "right first time" approach throughout our organisation.



ISO 20252

This is the international market research specific standard that supersedes BS 7911/MRQSA and incorporates IQCS (Interviewer Quality Control Scheme). It covers the five stages of a Market Research project. Ipsos MORI was the first company in the world to gain this accreditation.



Market Research Society (MRS) Company Partnership

By being an MRS Company Partner, Ipsos MORI endorses and supports the core MRS brand values of professionalism, research excellence and business effectiveness, and commits to comply with the MRS Code of Conduct throughout the organisation. We were the first company to sign up to the requirements and self-regulation of the MRS Code. More than 350 companies have followed our lead.



ISO 9001

This is the international general company standard with a focus on continual improvement through quality management systems. In 1994, we became one of the early adopters of the ISO 9001 business standard.



ISO 27001

This is the international standard for information security, designed to ensure the selection of adequate and proportionate security controls. Ipsos MORI was the first research company in the UK to be awarded this in August 2008.



The UK General Data Protection Regulation (GDPR) and the UK Data Protection Act (DPA) 2018

Ipsos MORI is required to comply with the UK GDPR and the UK DPA. It covers the processing of personal data and the protection of privacy.



HMG Cyber Essentials

This is a government-backed scheme and a key deliverable of the UK's National Cyber Security Programme. Ipsos MORI was assessment-validated for Cyber Essentials certification in 2016. Cyber Essentials defines a set of controls which, when properly implemented, provide organisations with basic protection from the most prevalent forms of threat coming from the internet.



Fair Data

Ipsos MORI is signed up as a "Fair Data" company, agreeing to adhere to 10 core principles. The principles support and complement other standards such as ISOs, and the requirements of Data Protection legislation.

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Ipsos MORI Public Affairs works closely with national governments, local public services and the not-for-profit sector. Its c.200 research staff focus on public service and policy issues. Each has expertise in a particular part of the public sector, ensuring we have a detailed understanding of specific sectors and policy challenges. Combined with our methods and communications expertise, this helps ensure that our research makes a difference for decision makers and communities.

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