

**South Hams District Council
Economy & Europe Department**



**South Hams
District Council**

**South Hams Business Survey 2001
September 2001**

Summary

This survey was carried out on behalf of South Hams District Council's (SHDC) Economy & Europe Department.

Objectives

- The objectives of the survey were to gather information on:
 1. How Businesses Stand
 2. Employees
 3. Business Location
 4. Premises
 5. Attitudes to development
 6. Technological usage (ICT)

Method

- The method was a survey by post.
- The survey was carried out on all businesses (a census) using a database purchased from Dunn & Bradstreet.
- The response was reasonable with 963 replies **(27%)**
- Results were compared to statistics from other studies for similarity and reliability. The other studies used were:
 1. SHDC Employment Survey 1999 (carried out by Devon County Council)
 2. Federation of Small Businesses: 'Constraints to Growth (South West)' November 2000
 3. Office of National Statistics: Official Figures
- The largest sectors of business activity were:

1. 'Retail / Repairs / Wholesale'	(33%)
2. 'Agriculture'	(11%)
3. 'Manufacturing'	(10%)
4. 'Construction'	(10%)
- This is relatively accurate, accounting for different methods of gaining the data.
- The largest groups of business ownership are:

1. 'Sole Traders'	(39%)
2. 'Partnerships'	(30%)
3. 'Limited Companies'	(27%)
- 11% of businesses that responded were part of a larger group, with the rest operating alone.

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Marketing Means

- Over half (55%) of those who responded said their business operated 'Locally'.
- Nearly three quarters (74%) of businesses have been operating for over 10 years. Only 8% of businesses have been running for under 4 years.
- A third of respondents said that they did have a written business plan (31%) and of these the vast majority (90%) had kept the plan up to date within the last two years.
- A quarter of all respondents (24%) to this survey said that they were developing or had recently developed a new product or service. Of these, 20 respondents said that it had resulted or would result in a new patent.
- Under a half (44%) of respondents belonged to a business group or forum. Higher turnover increased the likelihood of membership to a forum or business group.

Financial Information

- Over a quarter (28%) of businesses indicated their turnover was £54,000 per annum or less (the current VAT threshold), of which 14% were under £25,000 per annum. 23% had a turnover of £500,000 or more.
- 40% expected their turnover to increase next year and 36% expected it to 'stay the same'. 24% of businesses expected their turnover to decrease.
- Those with turnovers over £76,000 were more confident that turnover would increase.
- The sectors that were most confident of turnover increasing were 'Manufacturing', 'Transport' and 'Financial services'. Least confident were those in 'Agriculture'.
- The biggest internal factors contributing to increased turnover were 'marketing' (19%); 'organisational efficiency' (15%); 'staff' (9%) and 'personal factors' e.g. 'hard work' (8%).
- External factors were 'market trends' (31%); 'economic factors' (18%), and 'increased reputation/ word-of-mouth' (17%).
- The largest internal factors given for expected decreases in turnover were 'personal factors' (20%) e.g. illness; 'staff' e.g. 'unmotivated' and 'market trends' (14% each).
- As expected, the biggest category for external factors was the 'foot and mouth' crisis (54%).
- 16% (154) of respondents said that they were reliant on exports.
- Two thirds of respondents said that they were not directly reliant on tourism for any part of their income. 13% said that 50% or more of their turnover was reliant on tourism.
- 39% of respondents said that they would use their accountant as the first source of financial advice closely followed by 36% of respondents who said that they would use their bank.
- The most used sources of finance were bank-based – overdraft, loan or credit cards.

Employees, wages and salaries

- 50% of all businesses employed between 1 and 9 people and 21% none at all. Only 3% of businesses employed more than 100 people, only two of which, employed over 500.
- The largest employers are:
 1. 'Manufacturing' with 4084 employees (31% of the total 13,155)
 2. 'Retail et al' with 3278 (25% of the total)
 3. 'Hotels et al' (1077 or 8%)
 4. 'Health et al' (977 or 7%)
 5. 'Construction' (885 or 7%)
- 'Agriculture' was the least likely sector to have any employees.
- 70% expect their employee numbers to remain the same next year, with 23% expecting increases.
- 58% of employees earn less than £15,500 pa. Of these, 10% earn less than £6,500 pa.
- 'Hotels et al' and 'Agriculture' are more likely to have employees on lower pay levels.
- A larger number of employees in 'Technology' (38%) earn more than £25,000 pa and most (84%) earn over £15,000 pa.
- The larger the company, the more likely it is that the pay levels will be higher.
- Two thirds (65%) of respondents think there is upward pressure on wages in the South Hams.
- The most common reason given for the belief that there is upward pressure on wages is 'Housing Costs' (47%).

Skills and Training

- Over half of those businesses that said they had recruited (59%) also indicated they experienced problems finding staff.
- The two categories cited most often as lacking were 'Trade Skills' and 'Professional Skills'.
- 47% of businesses that responded have neither a training plan nor a budget for training.
- Two thirds of respondents indicated that they provided some sort of training to employees.
- A third of all this training is 'informal' and a further third is through 'short practical courses'.
- Most businesses tended to consider the workforce reasonably literate and numerate. Similarly, they were considered to be fairly adaptable and reasonably skilled.

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Marketing Means

- There was a general opinion that labour costs are fairly high.

Premises and Location

- 82% that responded indicated that they had one premises in the South Hams.
- A quarter of premises (25%) were 'retail shop / restaurants'.
- 'Construction', 'Financial', 'Technology', and 'Other services' were the most likely to operate from a home-base.
- 59% of businesses own their business premises, 35% rent privately and 5% rent from SHDC.
- Nearly three quarters of businesses indicated their premises were 'about right' but a quarter of them considered their premises to be 'too small'.
- The majority (81%) indicated they would be unwilling to share their premises with other businesses.
- 33% of all business premises of those who responded were over 101 years old and 31% were between 5 and 25 years old.
- A fifth of businesses are considering moving premises in the future. Over half would stay in the South Hams.
- As a business location, the South Hams is generally viewed in a slightly negative light.

Information Technology and Environmental Issues

- Two thirds of all respondent businesses had between 1 and 5 computers. A fifth had none.
- 58% indicated they did not yet have a website.
- The sectors most likely not to have a website were 'Agriculture', 'Construction', and 'Health'.
- 'Technology', 'Manufacturing', 'Other services' and 'Hotels et al' were the most likely to have a website.
- Nearly three quarters (72%) of respondent businesses do not have an environmental policy statement. 28% said that they do.
- More businesses indicated they had an environmental quality standard (31%) than had an environmental policy statement.
- The most 'popular' environmental measure that could be implemented by all businesses that responded was 'local purchasing', of which 60% said they did.
- The least 'popular' measure that could be implemented by all types of business was 'water saving'.

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Section 1

Introduction

1: Introduction

Background

This survey has been conducted bi-annually by Devon County Council since 1991.

The Economy and Europe department of SHDC has several functions, two of which are:

- To produce the economic development strategy for the South Hams district
- To act as an information source about economic development and business conditions for other policy deciders, other internal departments and outside agencies and businesses

In order to fulfil the above functions (in part), the Economy & Europe department needs reliable information from businesses who operate from the South Hams. This helps the development of appropriate policy, gives some insight as to what businesses are feeling about the current state of affairs, and generally informs other internal departments of the Council.

There is a secondary reason for conducting this survey and that is to develop a reliable information database for SHDC to keep in contact with businesses at a later date.

Research Objectives

To collect conclusive and quantifiable information about the following:

How the Business Stands

- Size of businesses in the South Hams
- Status of the business
- The main purpose of the business (SIC Code)
- Length of establishment
- Number of employees

Employees

- Skill levels of employees
- Access to training
- Labour pool – constraints to growth
- Wages
- Recruitment

Business Location

- Reasons for location
- Drawbacks to location – constraints to growth

Premises

- Current capacity
- Attitudes to future premises – constraints to growth

Attitudes to development

- Future markets (including Europe)
- Expansion
- Business plan
- Access / Sources to funding
- Access to advice
- Purchasing
- Marketing plan

Technological usage (ICT)

- Information technology usage
- Internet – addressing ‘peripherality’
- Adequacy of provision

Method

A survey by post is appropriate because:

- The large number of businesses to contact prohibits the use of individual contact (by telephone or face-to-face interviews)
- This is not exploratory research and the results need to be conclusive and quantifiable

Sampling / Database

In order to contact businesses in the South Hams a database was purchased from Dunn & Bradstreet. The original data file contained 5060 names. This was reduced to 3758 when postcode sub-areas bordering Plymouth, local government establishments, schools, libraries and duplications were removed.

Response Rates

There were 963 responses in time for analysis, with a further 170 that were withdrawn due to the businesses having closed or moved away. The response rate is calculated by:

$$\frac{100 \times \text{Number of questionnaires returned}}{\text{(Number of people in the sample-deadwood)}}$$

$$\frac{100 \times 963}{(3758 - 170)} = 27\%$$

This is a reasonable response rate to a survey by post.

Scope and Limitations

The reasonable response rate to this survey means that the results give a statistically reliable (a confidence interval of +/- 3.5% at 95% confidence level) picture of the general behaviour and attitudes within the ‘population’ of South Hams District businesses and sub-groups of that ‘population’ (i.e. ‘Agriculture’). It is possible to compare and contrast different sub-groups within the survey as well as to compare the figures with other similar surveys as outlined on the next page.

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Marketing Means

It is important to note that surveys are not used to examine individual cases and can rarely explain 'why' a behaviour or attitude occurs. This can be achieved by use of in depth interviews and group discussions.

The figures represented in tabular form have been rounded to the nearest whole number. Thus where percentages are presented it is possible that the column total does not equal 100%.

About comparisons made to other surveys

Three surveys have been referred to throughout this document. They have been chosen as being the most recent and relevant sources to check the reliability of this survey's achieved sample and for comparison with some questions. A number of compatibility issues are discussed below:

(i) 'DCC 1999 Survey'¹

This is the most relevant survey as it is directly comparable on the following points:

- The sample 'Businesses in the South Hams' should be the same and is the only source of data available at this geographical level of analysis
- The same method of obtaining the data (questionnaire by post)
- Questions have been kept similar for direct comparison

However, not all of the data is available in a directly compatible format, and therefore comparisons are not always possible.

(ii) Federation of Small Businesses 'FSB', 'Barriers to Growth and Survival'²

- Same method (questionnaire by post)
- It is very recent (November 2000)
- Sample is only taken from membership to the FSB. This may affect the results for the following reasons:
 - The FSB is a pressure group and, therefore, the characteristics of members may differ from the business community as a whole since:-
 - a. Membership to the FSB is concentrated in some business activities such as manufacturing.
 - b. Membership appears to be concentrated in more established businesses. Micro-businesses (under 5 employees) tend not to be members.
 - c. The FSB defines 'small businesses' as having less than 500 employees, however the overall figures show that only a few businesses in the South Hams come over this threshold.
 - It can be argued that the questionnaire used by the FSB was leading as it highlighted problems and attitudes, rather than behaviour.
 - It is analysed at regional level not at district level. This should be taken into account when comparing these figures ('regional' is taken as the Regional Development Agency boundaries).
 - For the reasons given above, the FSB survey has only been used for comparisons on characteristics and behaviour.

¹ 'Employers Survey' for South Hams District Council, by Devon County Council / Prosper (1999)

² 'Barriers to Growth and Survival' for Federation of Small Businesses (FSB) by University of Strathclyde (November 2000)

(iii) Office of National Statistics ('ONS') Official statistics¹

- These are good quality figures that are politically neutral.
- Official statistics are taken from a variety of sources available to the government. This presents a problem as they rely upon data from VAT / PAYE which means:
 - (1) They may miss micro businesses
 - (2) There is a time delay between businesses registering for VAT / PAYE and appearing in the data set.
- Most analysis is at County level with some analysis at local authority level.

¹ 'Region in Figures, South West' London Office of National Statistics for Department of Environment, Transport and the Regions (Winter 2000)

Section 2:

About the Business (Section 1 of Questionnaire)

2: About the Business

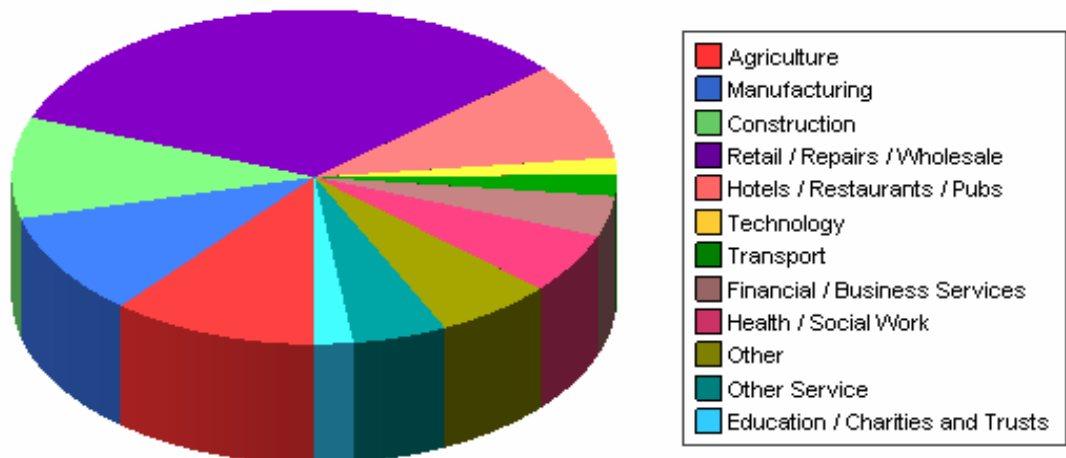
This section details the basic information about the businesses that responded to the South Hams Business Survey. Information in this section includes the main business activity of respondents, the size, age and ownership of the business. Also, there is information about business plans, new products and services, and membership to business organisations.

Main activity of the business

The first question was an open question: 'What is the main activity of your business?' This was re-coded into groups loosely based on the Standard Industrial Code (SIC) and compatible with other surveys (previous survey, FSB). The groupings were kept to a minimum for analysis.

The pie chart below shows the distribution of business activities of respondents to the questionnaire. The largest sector of South Hams respondents is 'Retail / Repairs / Wholesale' (Retail et al) which accounts for a third (33%) of all businesses that responded. Another third is accounted for by 'Agriculture' (11%), 'Manufacturing' (10%) and 'Construction' (10%) with the other sectors comprising the final third (*Appendix 2 table 1*).

Main activity of the business by sector



Pie Chart 1: Business activities in the South Hams by Sector

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Marketing Means

Table 1 below shows comparisons of main business activity between surveys. The purpose of this is to see if the achieved sample of business is similar to others and can be considered an accurate picture.

The last survey carried out on behalf of SHDC ('DCC 1999'), had far fewer responses from 'Agricultural' businesses and more from manufacturers. However, other sectors are consistent between the two surveys. When compared to the official statistics, the previous survey seemed to under-represent 'Agricultural' businesses and over-represent 'Manufacturing'. This survey is more representative on these two sectors. Another problem with looking at the official statistics is that they are based on Devon County. The South Hams is likely to have a greater proportion of retail and hotel sectors (activities relying on tourism) and a lesser proportion of financial services (which are concentrated in Exeter). This is borne out in both SHDC surveys.

Compared to national statistics, the South Hams shows a greater proportion of businesses in the 'Agriculture' and 'Retail et al' sectors than nationally, and far less in the 'Financial Services' sector.

Table showing main business activities compared to other surveys

	BS 2001	DCC 1999		FSB 2000		ONS 2000 Devon		ONS 2000 UK	
	%	%	Variance	%	Variance	%	Variance	%	Variance
Agriculture	11%	1%	10%	5%	6%	17%	-6%	7%	4%
Manufacturing	10%	17%	-7%	10%	0%	7%	3%	8%	2%
Construction	10%	7%	3%	8%	2%	10%	0%	9%	1%
Retail / Repairs / Wholesale	33%			23%	10%				
Hotels / Restaurants / Pubs	9%	44%	-2%	9%	0%	31%	11%	30%	12%
Technology	2%			5%	-3%				
Transport	2%	6%	-4%	6%	-4%	3%	-1%	4%	-2%
Financial / Business Services	4%			9%	-5%	16%	-12%	25%	-21%
Health / Social Work	6%			3%	3%				
Education/ Charities and Trusts	2%			1%	1%	7%	1%	7%	1%
Other	6%								
Other Services	5%	26%	-3%	9%	2%	8%	5%	10%	4%

Notes:

Regional

Devon County

VAT &/Or PAYE Registered

Table 1: Main business activities compared to other surveys

Compared to the FSB, 'Agriculture' and 'Retail' account for a higher proportion of business sectors and the sectors 'Technology', 'Transport' and 'Financial / Business Services' (Financial)

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Marketing Means

were all lower. (*FSB Barriers to Growth and Survival, November 2000 pg 11*). However, it should be noted that the FSB figures are regional.

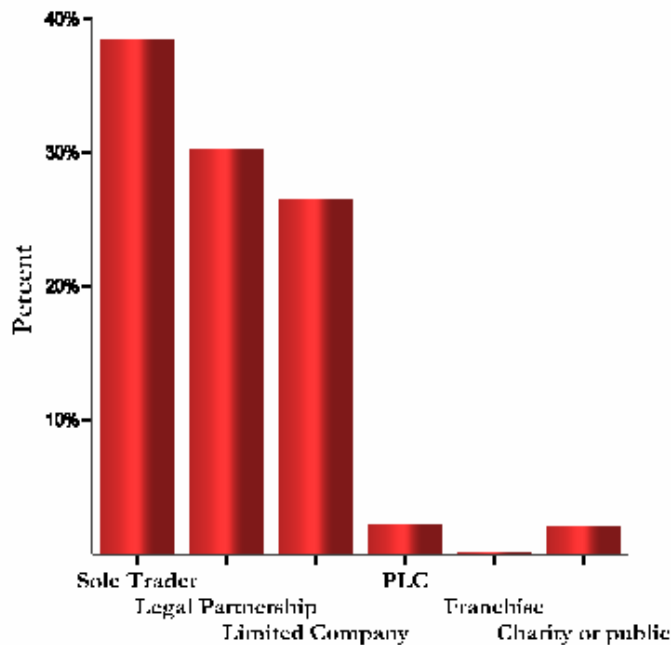
Legal status of the business and business ownership

The second question asked about the legal status of the business. The legal status gives some indication of the size and ambitions of the business.

Bar Chart 1 shows the legal status of respondent businesses in the South Hams. The largest group are 'Sole Traders' comprising 39%. 'Partnerships' accounted for 30% and 'Limited Companies' 27%. (*Appendix 2, Table 2*)

These figures were consistent with the FSB survey ('Sole Traders' 42%, Partnerships 32% and Limited Companies 26%). (*FSB Barriers to Growth and Survival, November 2000 pg 11*).

What is the legal status of your business?



Bar Chart 1: Legal Status of Businesses in the South Hams

Following up the legal status was business ownership. Nearly half of all South Hams businesses (47%) were owned by 'Self', with a further quarter (27%) owned by 'Family'. Only 15% were owned by 'Shareholders' and 7% by unrelated partnerships. (*Appendix 2, Table 3*)

Part of a larger group

Eleven percent of businesses that responded were part of a larger group, with the rest operating alone. (*Appendix 2, Table 4*)

These figures are the same as in the last survey carried out by DCC.

'Agriculture' (1%) and 'Construction' (4%) are the least likely types of business to be part of large groups. 'Other Services' (20%), 'Education / Charities and Trusts' (20%), 'Technology' (19%),

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Marketing Means

'Transport' (15%) and 'Retail et al' (14%) had higher than 'expected' numbers, being part of larger groups. (*Appendix 2, Table 5*)

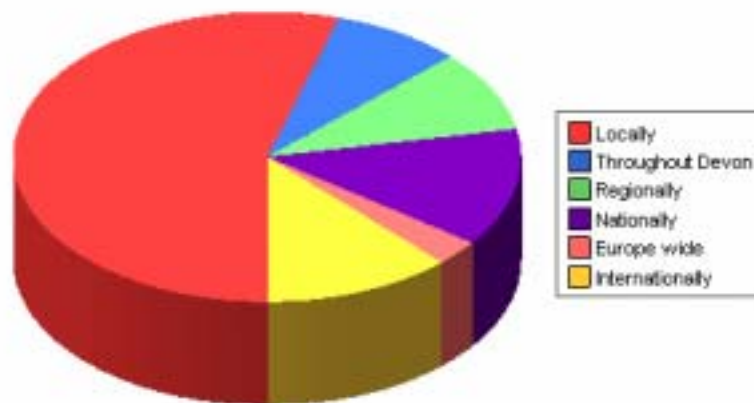
Spheres of business activity

Question 5 asked about the range of operation of businesses. This gives an indication of the vulnerability of the business as well as its size.

Pie Chart 2 shows the widest range of business activity of companies in the South Hams. Over half (55%) of those who responded said their business operated 'Locally', with a further 8% saying they operated 'Throughout Devon' and 9% 'Regionally' (a total of 73% operating within the South West only). 'Nationally' operating companies accounted for 13% of respondents, 12% operated 'Internationally' and 3% 'Europe wide' (a total of 28% operating beyond the South West region). (*Appendix 2, Table 6*)

Companies that 'stand alone' are more likely to operate within the South West region, and those that are part of a larger group are more likely to operate further afield. (*Appendix 2, Table 7*)

Spheres of business activity



Pie Chart 2: Spheres of business activity for Businesses in the South Hams

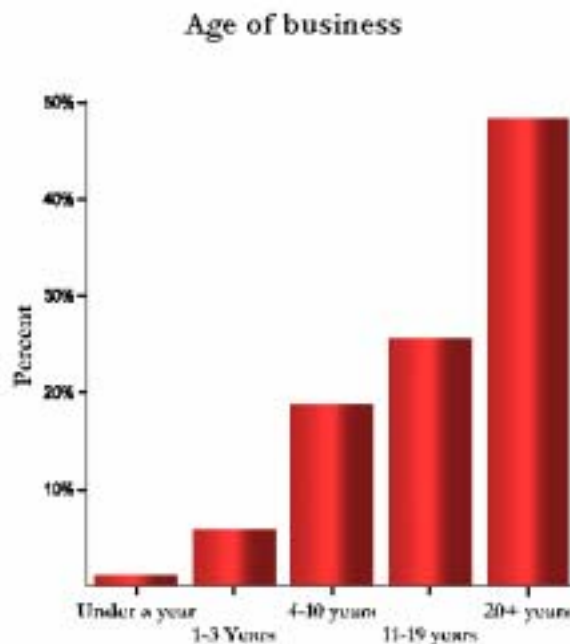
Age of business

The age of the business gives an indication of its vulnerability. Newer businesses are more likely to fail than older businesses, but are more likely to embrace changes and better business practices.

Bar Chart 2 below shows only 8% of businesses that responded to the survey have been running for under 4 years (under a year 1%, 1-3 years 7%) with nearly three quarters operating for over 10 years (11-19 years 26%, 20+ years 48%). (*Appendix 2, Table 8*)

This differs from the FSB survey (using a different scale) that has 34% of businesses under 5 years old and 56% having been set up in the last 10 years. (*FSB Barriers to Growth and Survival, November 2000 pg 10*).

There is a marked difference in the age of the businesses in relation to the business sector. For example, 63% of 'Technology' businesses are under 10 years old as opposed to 79% of 'Agricultural' businesses that have operated for over 20 years. (*Appendix 2, Table 9*)



Bar Chart 2: Age of the business

Business & Marketing plans

Business plans enable a business to consider its growth and position in the market. Therefore, business plans are an indication of a business that is forward looking and that it exercises good business practice.

A third of respondents (31%) said that they did have a written business plan and, of these, the vast majority (90%) had kept the plan up to date within the last two years. This same 31% also said that they had a marketing plan, so the following results apply equally to marketing plans as to business plans. (*Appendix 2, Tables 10 - 12*).

The main activity of a business appeared to have an effect on the likelihood of the business possessing a business / marketing plan. The least likely sectors were 'Agriculture', 'Construction' and 'Hotels et al'. The most likely activities were service based: 'Technology', 'Health et al', 'Education' and 'Financial services'. (*Appendix ???, Table ???*).

There was also a very distinct division based on number of employees; those with 20 or more employees were much more likely to have a business plan than those with less than 20 employees. (*Appendix 2, Table 14*).

Those expecting any increase in employees were more likely to have a business plan than those that were expecting to 'stay the same' or have a small decrease. However, this was not true for those who were expecting a large decrease in employees. (*Appendix 2, Table 15*).

The most marked point was on expectation of turnover; those expecting to see an increase in turnover next year (45%) were the most likely group to have a business plan compared to those that would stay the same (20%) or decrease (24%). (*Appendix 2, Table 16*).

A clear pattern also emerged by age of company. Those in operation less than 3 years were likely to have a business plan (perhaps because this is an important part of the start-up procedure) although this only accounted for 22 business plans from 300 overall. (*Appendix 2, Table 17*).

When all of these questions were analysed together using CHAID, the most important factor was found to be the level of turnover, with the likelihood of business plans existing being greater as turnover increased. Interestingly, there were different secondary factors for each of the three levels of turnover:

- Businesses with less than £76,000 - the key factor was whether the business had been operating for less than 10 years
- Those with a turnover of between £76,000 and £500,000 - expectation of increased turnover was a good predictor of having a business plan
- For those with a turnover exceeding £501,000 - the key was whether the business operated nationally, internationally or Europe wide (with an underlying issue of whether they were part of a larger group).

Developing a new service or product

A quarter of all respondents (24%) to this survey said that they were developing or had recently developed a new product or service. (*Appendix 2, Table 18*). Of these, 20 respondents said that it had resulted or would result in a new patent. (*Appendix 2, Table 19*).

By main business activity, ‘Technology’, ‘Manufacturing’, and ‘Education’ had the highest rates of developing a new product or service. (*Appendix 2, Table 20*). ‘Manufacturing’ had the highest rate of developments resulting in a patent (8). Interestingly, the ‘Retail’ sector had 4 patents. (*Appendix 2, Table 21*).

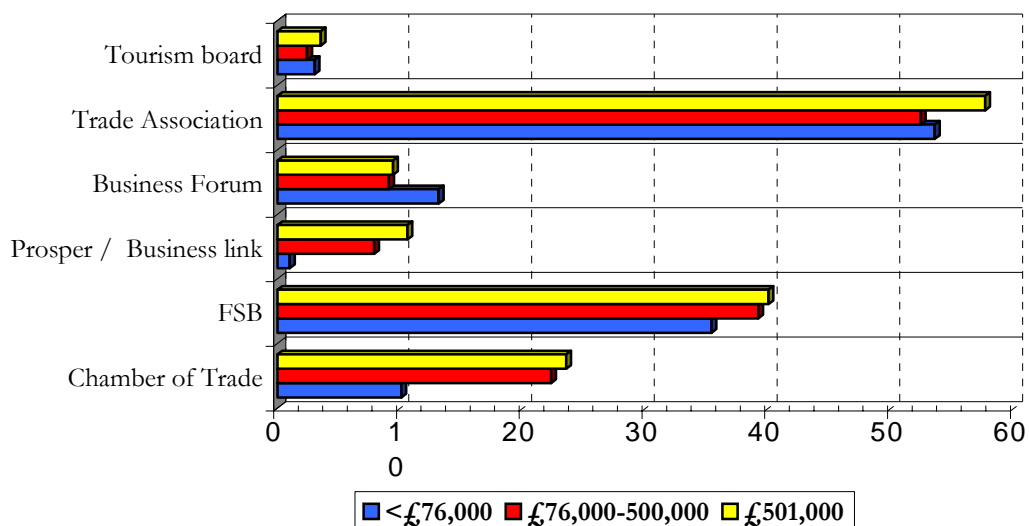
Higher turnover levels resulted in more development of products / services, but in terms of patents, it was equally spread across the categories. (*Appendix 2, Tables 22 & 23*).

Membership to groups

44% of respondents belonged to a business group or forum. Higher turnover increased the likelihood of membership to a forum or business group. ‘Agriculture’, ‘Construction’ and ‘Retail et al’ were the least likely to belong to a group, whilst ‘Manufacturing’, ‘Hotels et al’ and ‘Financial services’ were most likely to belong to a group. (*Appendix 2, Tables 24-26*).

Bar Chart 3 below illustrates that ‘trade association’ is the category that has the highest membership across all activities. Membership to Chambers and Prosper / Business Link increases with turnover, whilst membership to business forums decreases slightly. (*Appendix 2, Table 27*).

Membership to business groups by turnover



Bar Chart 3: Membership of businesses organisations in the South Hams

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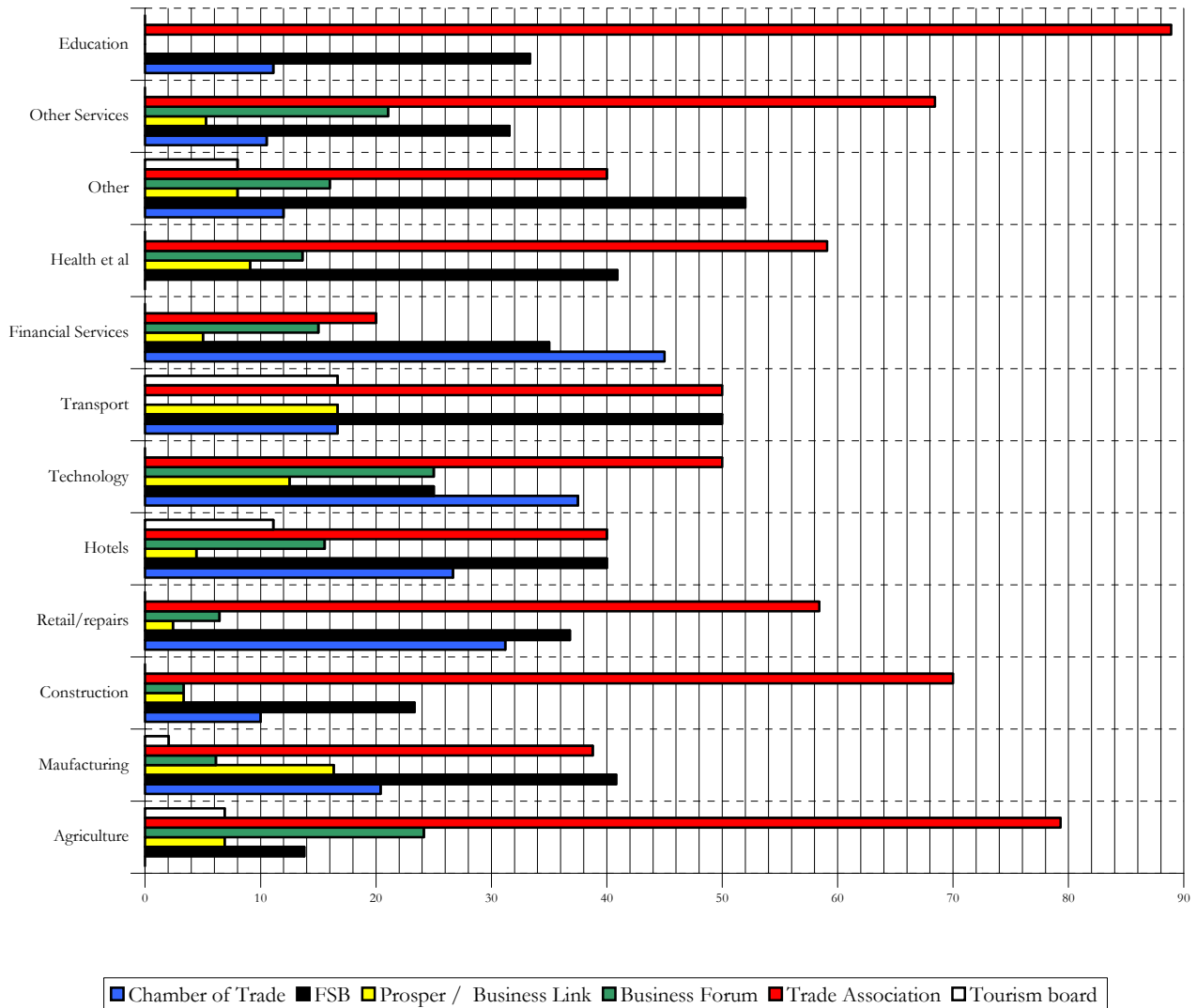
Marketing Means

Membership to business groups varies by business activity, illustrated by the following bar chart (please note that many businesses had multiple memberships so the percentages are not of the whole but of the numbers in that business activity):

- 'Agriculture' did not belong to any Chambers of Commerce; 'Financial Services' had the highest level of membership.
- FSB membership was highest in 'Other' and 'Transport' and lowest in 'Agriculture' and 'Construction'.
- Prosper / Business Link had the lowest number of businesses claiming membership within this survey. No respondents in 'Education' belonged to Prosper; 'Manufacturing' and 'Transport' had the highest level of membership.
- Business forums had moderate levels of membership with 'Technology', 'Other', 'Agriculture' and 'Hotels et al' having the highest percentages of membership.
- Of those who said that they belonged to a group, all business activities had high levels of membership to trade / professional bodies, although 'Education', 'Agriculture', and 'Construction' had the highest levels.
- Membership of the 'Tourism Board' was restricted to those in 'Hotels et al', 'Agriculture', and 'Other'.

South Hams Business Survey 2001
Marketing Means

Membership to business groups by activity



Bar Chart 4: Membership to business groups by activity

Section 3:

Financial Information

(Section 8 of Questionnaire)

3: Financial Information

This section details information from respondent businesses about their turnover, expectations for the next year (and why things may change), the reliance of businesses on exports and tourism to South Hams, and where businesses go for financial advice. These figures give another indication of the size of businesses in the South Hams as well as business confidence, vulnerability and approaches to finance.

Turnover

Turnover is a good indication of the size of a business, although it does not indicate the success (profitability) of the business.

Pie Chart 3 below shows the approximate turnover for businesses that responded to the South Hams Business Survey. Over a quarter (28%) of businesses indicated their turnover was £54,000 per annum or less (the current VAT threshold), of which 14% were under £25,000 per annum. (*Appendix 3, Table 1*)

The largest groups were:

- £76 – £150,000 pa (17%)
- £151-£500,000 pa (23%)

These totalled 40%.

A quarter (23%) had a turnover of over £500,000.

The figures are in line with the previous South Hams survey, although the groupings are slightly different. This is also the case with the FSB Survey. (*FSB Barriers to Growth and Survival, November 2000 pp 12*).

There were differences between sectors when it came to turnover, with 'Agriculture' gaining far higher numbers than would be 'expected' in the under £25,000 pa band and 'Manufacturing' and 'Retail et al' with greater than 'expected' numbers above £1m pa. (*Appendix 3, Table 2*).

Turnover per annum (banded)



Pie Chart 3: Business Turnover in the South Hams

The turnover bands of those who responded to the last survey are very similar to those who responded this time:

**Table comparing turnover between this survey
and the 1999 survey**

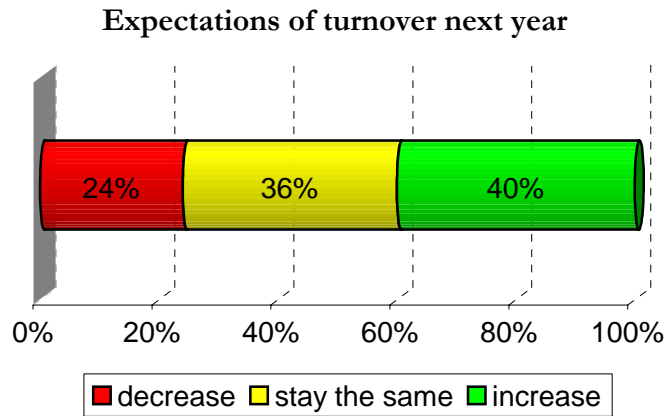
	ES 2001	DCC 1999	
	%	%	Variance
£0-25,000	13%	13%	1%
£26-54,000	14%		
£55-75,000	9%		
£76-150,000	17%	38%	2%
£151-500,000	23%	25%	-2%
£501,000 - 1m	9%	12%	-3%
£1.1m-3m	9%	8%	1%
£3.1m or more	6%	4%	2%

Table 2: Comparison of turnovers between 1999 and 2001

Expectations of turnover next year

The question asked the respondents what their expectations were for turnover next year. This is an indication as to the level of confidence that businesses have.

The biggest category was 'increase' followed by 'stay the same'. A quarter of businesses expected their turnover to decrease. (*Appendix 3, Table 3*).



Bar Chart 5: Expectations of Turnover Next Year for Businesses in the South Hams

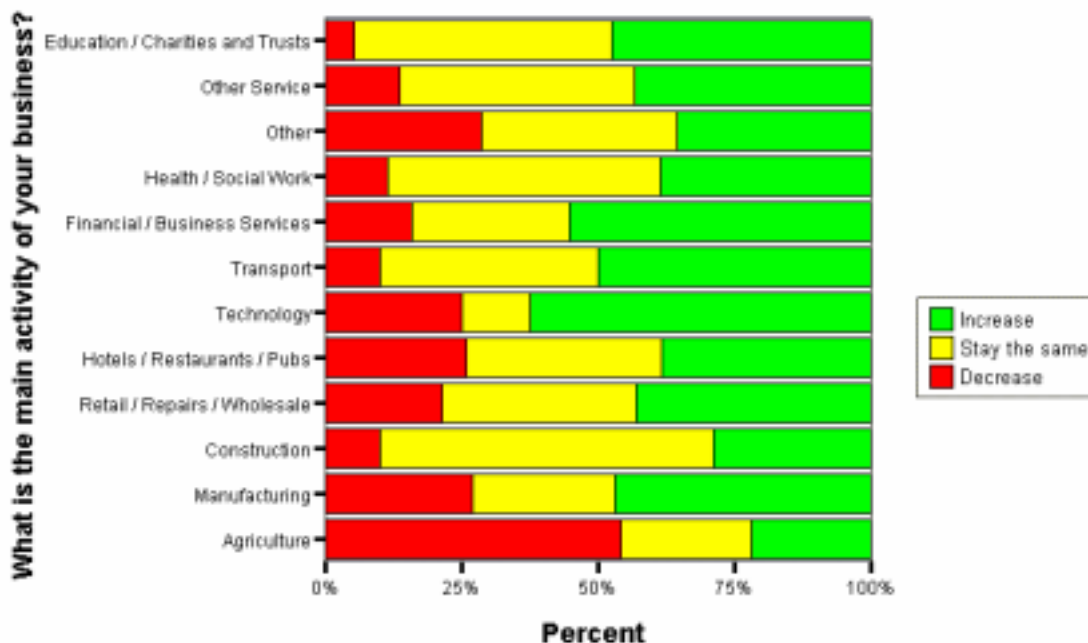
Links between confidence in future turnover and the size / sector of the business were apparent; those with turnovers over £76,000 were much more confident than those with lower turnovers. This is clearly illustrated in Pie Chart 4.



Pie Chart 4: Expectations of Turnover Next Year by Level of Turnover this Year

Bar Chart 6 below shows how expectations of change in turnover differ by main business activity. Those that were most confident of turnover increasing were in 'Manufacturing', 'Transport' and 'Financial services'. Least confident were those in 'Agriculture'. (*Appendix 3, Table 4*).

Expectations of turnover next year by business activity



Bar Chart 6: Expectations of Turnover Next Year by Main Activity of Business

Answer tree (CHAID) analysis was used to 'predict', from all the variables in the questionnaire, what factors are most likely to contribute to a business saying that turnover was to change.

The most relevant factor from this analysis was found to be the 'main business activity'. 'Agriculture' had the age of business as a secondary factor. Those who had a business for more than 20 years accounted for 49 of the 57 who said that turnover was likely to decrease.

Age was also a secondary factor in 'Construction' with newer businesses being more likely to say that their turnover was going to increase next year.

Factors relating to change in turnover

Two questions followed on from predicted change in turnover - asking for the main internal and the main external factor that would affect a judgement about changes in the next year.

These questions were open (with no predetermined answers) and therefore generated a large variety of replies. These have been broadly categorised for ease of analysis. The categories were then cross-tabulated with whether there was a predicted increase or decrease in turnover.

There did appear to be a small amount of confusion as to what constituted an internal or external factor (i.e. marketing effort or more/ less staff should be considered an internal factor, whilst economic conditions or competitors are external).

South Hams Business Survey 2001

Marketing Means

In general, those who were predicting a decrease in turnover were likely to cite external factors, whilst those who were predicting an increase were most likely to cite internal factors.

Of course, it should be noted that recent events in the USA were not current at the time of this questionnaire and this may have subsequently affected judgements about the economy and tourism.

Increased turnover factors

The biggest internal factors contributing to increased turnover were 'marketing' (19%); 'organisational efficiency' (15%); 'staff' (9%) and 'personal factors' e.g. 'hard work' (8%).

External factors were 'market trends' (31%); 'economic factors' (18%), and 'increased reputation/ word-of-mouth' (17%).

Decreased turnover factors

The largest internal factors given for expected decreases in turnover were 'personal factors' e.g. illness (20%); 'staff' e.g. 'unmotivated', and 'market trends' (14% each).

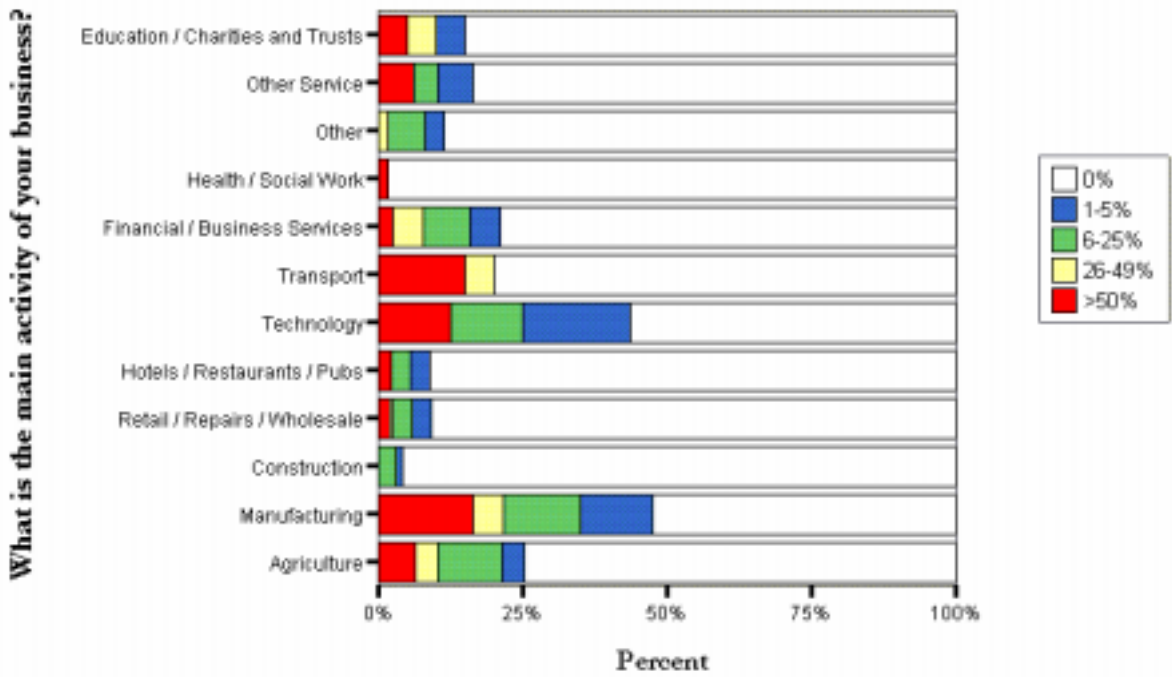
As expected, the biggest category for external factors was 'foot and mouth' (54%). The other significant categories were 'market trends' (12%) and 'economic conditions' (11%) (*Appendix 3, Tables 5-8*).

Reliance on exports

16% (154) of respondents said that they were reliant on exports. 4% (43) said that 50% or more of their turnover was reliant on exports. (*Appendix 3, Table 9*).

The business activities that were most reliant on exports were 'Technology', 'Transport' and 'Manufacturing' shown by the higher percentage of 50% plus of business activity below. (*Appendix 3, Table 10*).

Percentage of turnover reliant on exports by business activity



Bar Chart 7: Percentage of Turnover Reliant on Exports by Main Business Activity

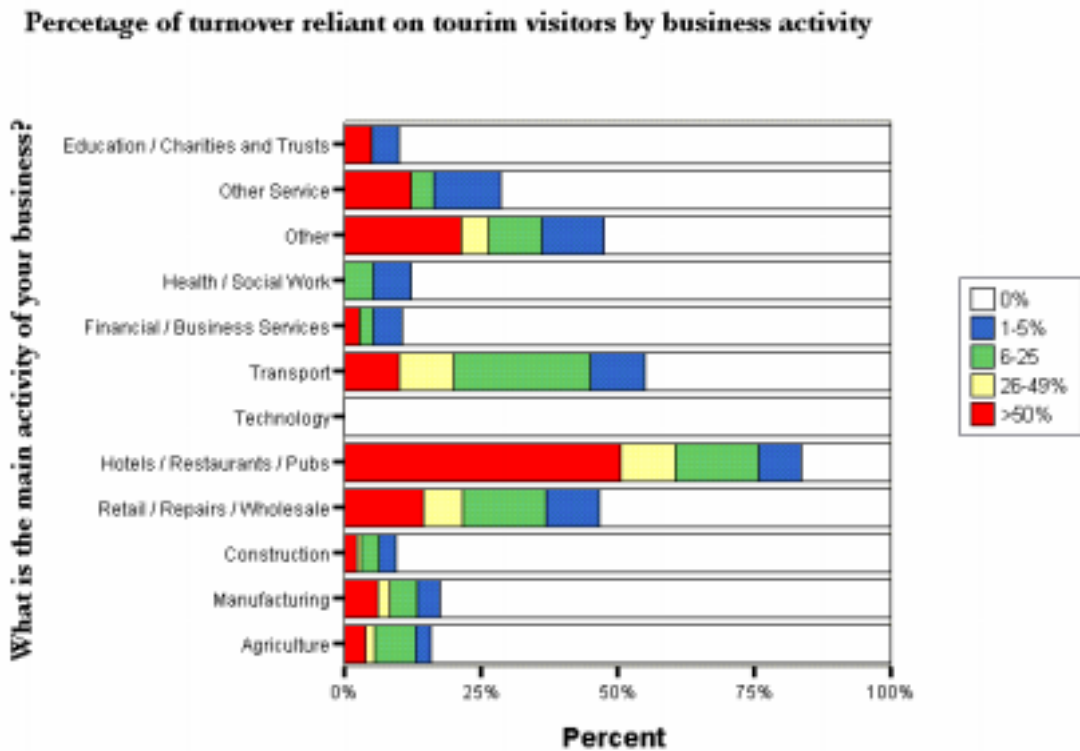
Reliance on tourism

Two questions asked businesses about their reliance on tourism. The first asked about ‘direct’ reliance and the other addressed ‘indirect’ reliance. It appears that the second question was not fully understood.

Two thirds of respondents said that they were not directly reliant on tourism for any part of their income; 13% (127) said that 50% or more of their turnover was reliant on tourism. (*Appendix 3, Table 11*)

Again as may be expected, business activities that were most reliant on tourism were retail and hotels / restaurants, illustrated in the bar chart below: (*Appendix 3, Table 12*)

This was confirmed using CHAID analysis – the factor most related to reliance on tourism visitors to the South Hams was business activity.

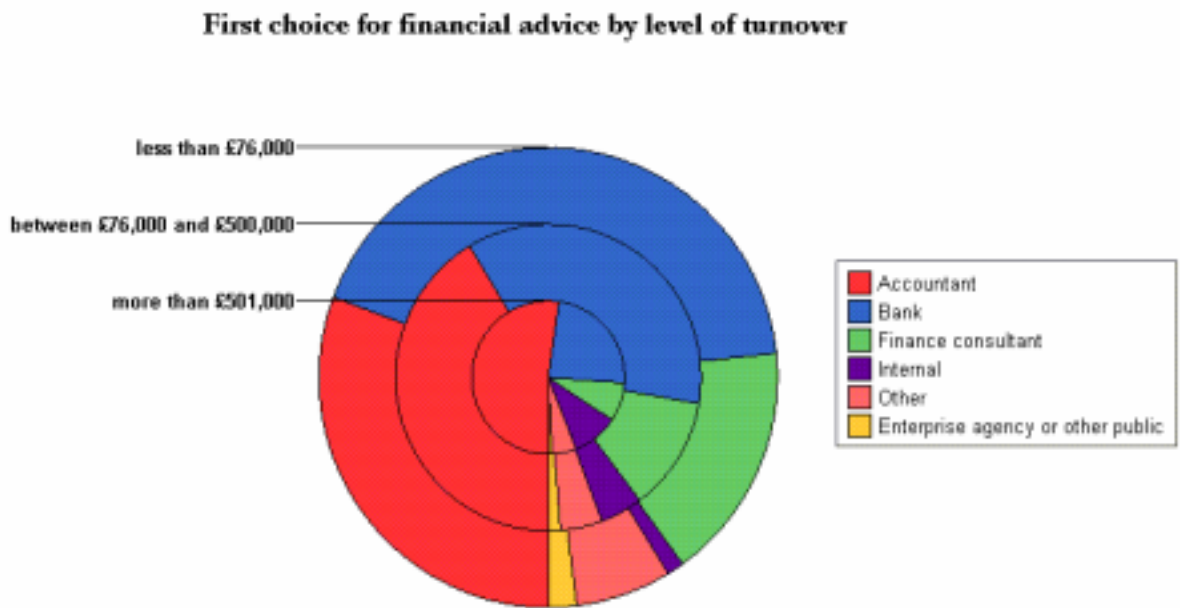


Bar Chart 8: Percentage of Turnover Reliant on Tourism by Business Activity

Financial Advice

39% of respondents said that they would use their accountant as the first source of financial advice closely followed by 36% of respondents who said that they would use their bank. (Appendix 3, Table 13).

Differences were found by turnover; those with higher turnovers were most likely to use internal sources and accountants; those with turnovers of less than £76,000 were the most likely to use their bank, public bodies or others (family / friends). This difference is likely be based upon the cost of advice - banks are often free. (Appendix 3, Table 14).

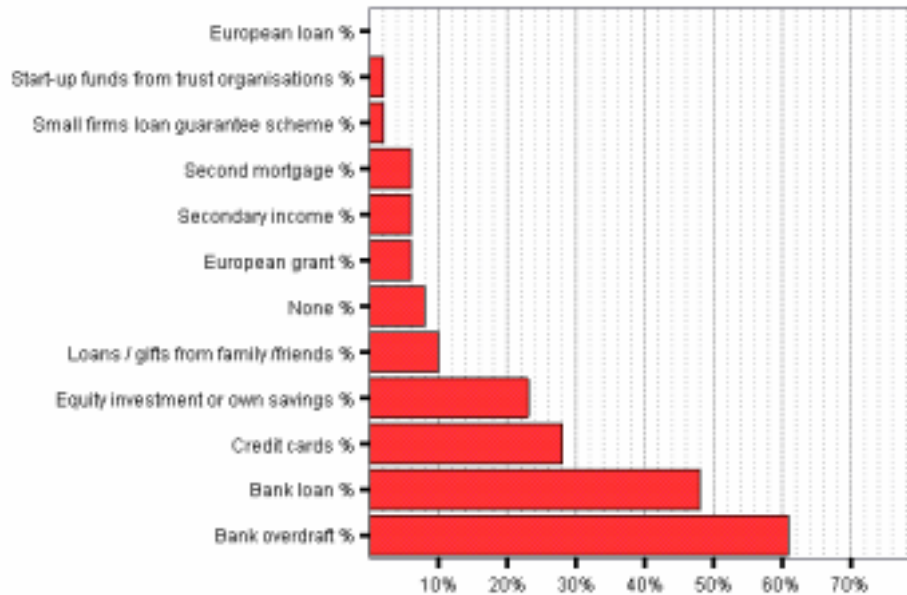


Pie Chart 5: First Choice for Financial Information by Level of Turnover

Sources of finance

The most used sources of finance were bank-based – overdraft, loan or credit cards. (*Appendix 3, Table 15*).

Sources of finance



Bar Chart 9: Sources of Finance

As might be expected, there were differences between business turnover levels and the sources of finance used. For example, those with higher turnovers are more likely to use the bank whilst those with less than £76,000 are more likely to use personal sources (such as secondary income, gifts / loans etc) and credit cards to fund their business activities.

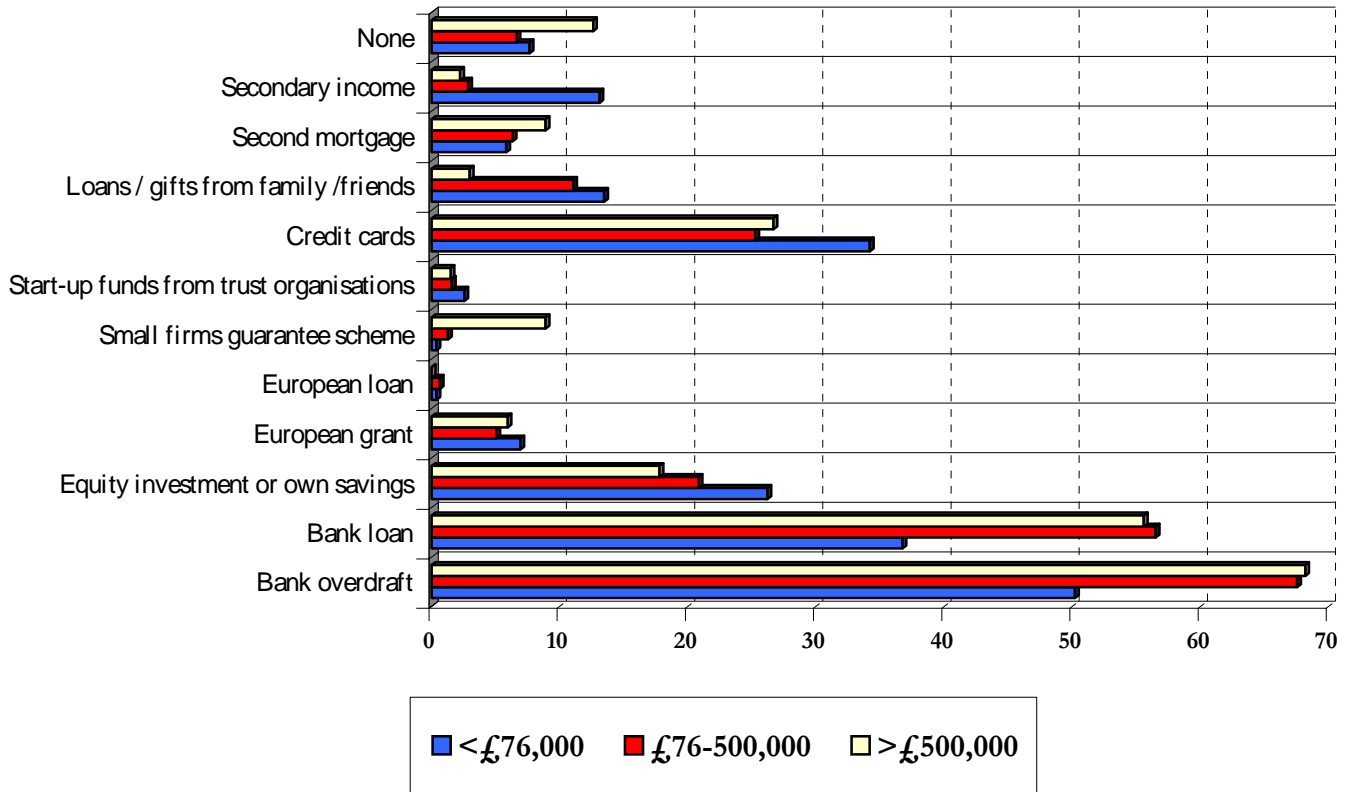
The biggest users of the Small Firms Loan Guarantee scheme (SFLGS) are those with turnovers under £500,000.

The use of European grants was 8% and was equal across all categories; very few businesses (0.4%) said that they had a European loan.

See Bar Chart 10 next page:

South Hams Business Survey 2001
Marketing Means

Sources of finance used by respondents



Bar Chart 10: Sources of Finance by Turnover

Section 4

Employees, wages and salaries (Sections 5 & 6 of Questionnaire)

4: Employees, wages, and salaries

This section looks at employment and pay in the South Hams. Issues covered include the numbers and status of employees in respondent companies, pay rates as well as pressure on pay rates, and views as to the near future of the labour market.

Number of Employees

Pie Chart 6 below shows the number of people employed by the businesses that responded. Half of all businesses (50%) employed between 1 and 9 people and a fifth (21%) none at all. Only 3% of businesses employed more than 100 people, only two of which were over 500 (the threshold for describing the business as 'small'). (*Appendix 4, Table 1*).

This was different from the FSB survey where 85% of businesses had between 1 and 9 employees. (*FSB Barriers to Growth and Survival, November 2000 pg 12*).



Pie Chart 6: Number of Employees of Businesses in the South Hams

Of respondent businesses, 79% employ at least one person other than the owner. The largest employers are:

- 'Manufacturing' with 4084 employees (31% of the total 13,155)
- 'Retail et al' with 3278 (25% of the total)

Other large employers are:

- 'Hotels et al' (1,077 or 8%)
- 'Health et al' (977 or 7%)
- 'Construction' (885 or 7%)

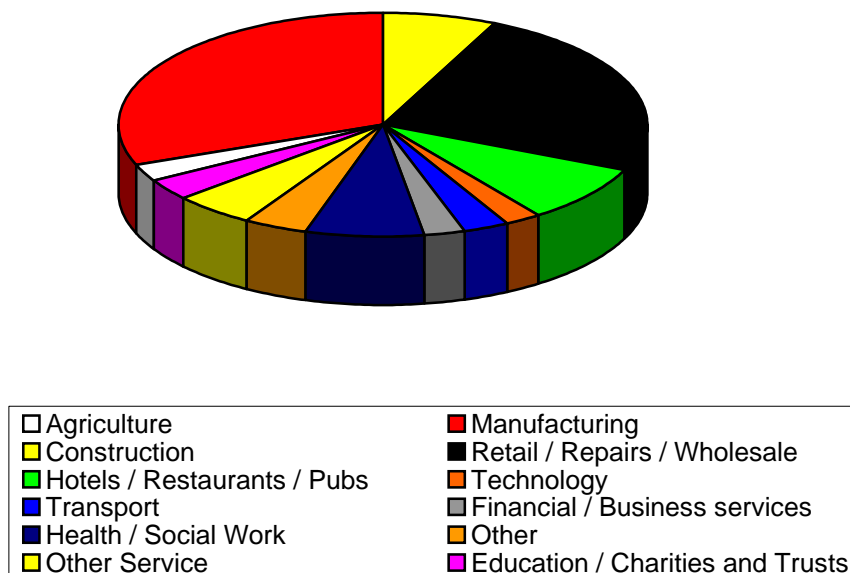
'Agriculture' was the least likely sector to have any employees.

South Hams Business Survey 2001

Marketing Means

There are differences in the type of employment between sectors. The sectors with large proportions of full time workers are 'Manufacturing' (91%), 'Construction' (85%), and 'Technology' (84%). Other sectors had far fewer full time workers – 'Retail et al' (54%), 'Hotels et al' (37%). (*Appendix 4, Table 2*).

'Number of employees' by 'Main activity of business'



Pie Chart 7: Numbers of Employees by Main Business Activity in the South Hams

Compared to the 1999 survey, the responses obtained by the 2001 survey were slightly different. This survey gained responses from more very small businesses and, also, larger companies than before. This difference in sampling frame may account for this.

Table comparing employee numbers between this survey and DCC survey 1999

	ES 2001		DCC 1999	
	%	%	%	Variance
0 to 4	55%	47%	47%	8%
5 to 24	33%	44%	44%	-11%
25+	12%	9%	9%	3%

Table 3: Employee numbers compared

Over a quarter of businesses (28%) had an increase in the number of employees since last year, 8% having a 'large increase' (over 5). The majority of businesses (59%) had no change in their employee numbers. Only 11% saw a fall in their employee numbers, 2% having a 'large decrease'. (*Appendix 4, Table 3*).

Companies with larger turnovers (£500,000+ pa) were much more likely to experience changes in their numbers of employees. (*Appendix 4, Table 4*).

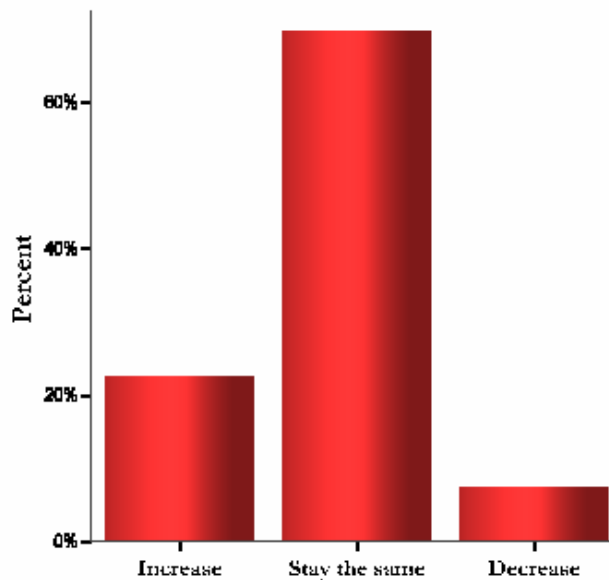
Expected changes in employee numbers

As shown by Bar Chart 11, most respondent businesses (70%) expect their employee numbers to remain the same next year, with nearly a quarter (23%) expecting increases. (*Appendix 4, Table 5*).

There are differences by both turnover and sector when it comes to changes in employment. Businesses with turnovers of less than £500,000 pa are much more likely to believe that employee numbers will stay the same, with larger companies more likely to expect changes both up and down. (*Appendix 4, Table 6*).

'Manufacturing' businesses are the most likely to expect increases in employee numbers, with 'Agriculture' based businesses more likely to expect a decrease. 'Retail et al' is most likely to expect things to stay the same. (*Appendix 4, Table 7*).

Expected Changes in Number of Employees



Bar Chart 11: Expected Changes in Employee Numbers in South Hams Businesses

South Hams Business Survey 2001

Marketing Means

Levels of pay

As shown by Pie Chart 8, over half (58%) of employees earn less than £15,500 pa. Of these 10% earn less than £6,500 pa. and 29% between £6,501 and £11,000 pa. (*Appendix 4, Table 8*).

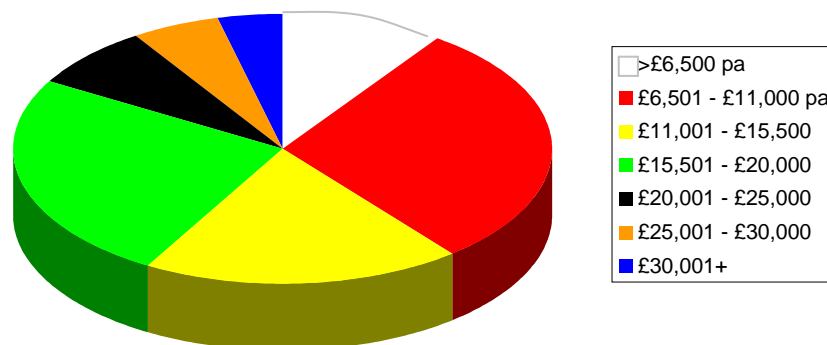
'Hotels et al' (79% under £11,000 pa) and 'Agriculture' (72% under £11,000 pa) are more likely to have employees on lower pay levels.

The majority of those working in 'Manufacturing' (61%), the highest employer, earn between £11,001 and £20,000 pa.

A larger proportion of employees in 'Technology' (38%) earn more than £25,000 pa and most (84%) earn over £15,000 pa. (*Appendix 4, Table 9*).

The larger the company, the more likely it is that the pay levels will be higher. Those with turnovers exceeding £3.1m pa have 39% of employees earning between £15,001 and £20,000 pa as opposed to the £76-150,000 pa. group that only has 15% on the same level. (*Appendix 4, Table 10*).

Pay levels in South Hams



Pie Chart 8: Levels of Pay in the South Hams

The Business Survey 2001 gives an estimated average wage in the South Hams of **£7.63 p/h or £282.64 p/w**.

The final total was accurate when compared with ONS 2000 statistics, which gave the **average wage in South Hams District to be £7.69 p/h or £263.70 p/w**. Although the Business Surveys results were worked out approximately, the similarity in the figures allow us to conclude that the 2001 survey gives a reliable and accurate reflection of wage levels in the South Hams.

South Hams Business Survey 2001

Marketing Means

As the method of data collection meant that wages were given in bands, there was no way to calculate the figures accurately. The method used was thus:

Stage 1: The average (median) for each band was calculated by adding the upper and lower limits and dividing by 2.

Stage 2: The average for each band was multiplied by the percentage of workers within that band to find a 'total' amount of money for each band.

Stage 3: The 'totals' were added together to give a 'grand total' of all the wages paid out in the South Hams by companies who responded to the survey.

Stage 4: The grand total was divided by 100%.

There were no accessible figures for the UK giving average wages overall (i.e. the average for all workers regardless of gender or employment status). Instead the figures for South Hams have been compared to randomly chosen districts.

Average Wage Levels by District 2000 (ONS website)

Name of District	Average Hourly Wage	Average Weekly Wage
City of London	£20.41	£739.50
Camden	£14.14	£510.50
Manchester	£10.49	£369.50
Birmingham	£9.98	£348.70
South Norfolk	£9.72	£340.70
Cotswold	£9.12	£297.60
South Hams	£7.69	£263.70
West Devon	£6.98	£233.70
Caradon	£6.69	£227.30

Table 4: Comparison of Wage Levels across UK Districts

Upward pressure on pay

Two thirds (65%) of respondents think there is upward pressure on wages in the South Hams. The most common reason given is 'Housing Costs' (47%) with 'Employment levels' (22%) and 'Minimum wage' (20%) being the other two factors cited most often. (*Appendix 4, Tables 11 and 12*).

Businesses with larger turnovers (£500,000+) were more likely than smaller ones to say there was upward pressure. (*Appendix 4, Table 13*).

Service based industries were much less likely to say there is upward pressure than businesses in 'Manufacturing' and 'Agriculture'. (*Appendix 4, Table 14*).

Section 5

Skills & Training (Section 7 of Questionnaire)

5: Skills & Training

Following on from employees and wages, this section looks at whether businesses have problems recruiting in the South Hams, attitudes towards the workforce, skills and skill shortages, and provision of training.

Recruitment difficulties

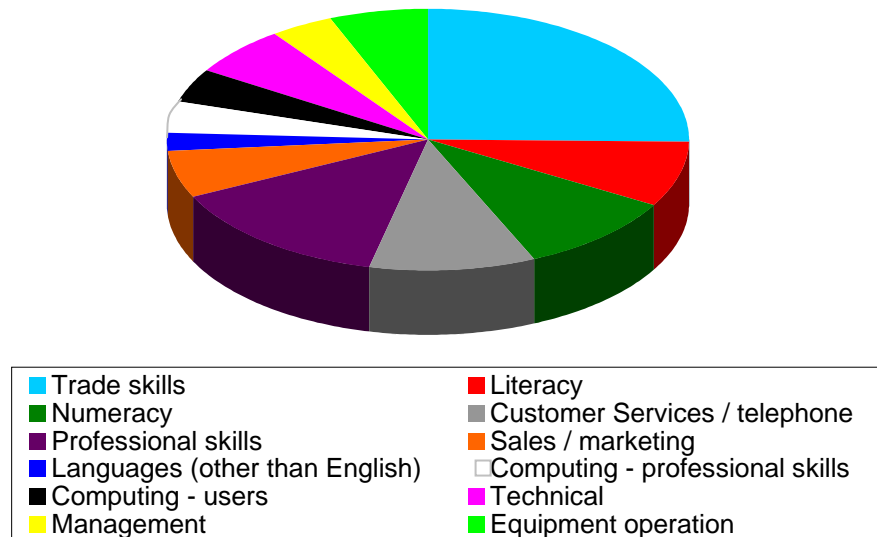
When asked whether they had problems recruiting in the last 2 years, 32% said they did not recruit within this period. Over half of those businesses that said they recruited (59%) indicated they experienced problems in recruitment. (*Appendix 5, Tables 1 and 2*).

The two categories of skills most often cited as lacking were 'Trade Skills' (25% of all 'positive' responses) and 'Professional Skills' (14% of all positive responses). The least cited skill was 'Languages (other than English)' (2%). (*Appendix 5, Table 3*).

There was a divide between 'secondary' and service sectors regarding skill shortages. 'Manufacturing' and 'Construction' cited a lack of 'Trade skills' most often. 'Financial Services' and 'Other services' cited 'Professional Skills'.

Over half who had difficulties (58%) considered this was a constraint on business growth and 31% thought the situation would be worse next year. Most thought that the recruitment situation would stay the same (61%) with only a small minority (7%) saying they thought it would improve. (*Appendix 5, Tables 4 and 5*).

Skills lacking in the South Hams



Pie Chart 9: Skills lacking in the South Hams

Training plan and budget

Pie Chart 10 below shows that nearly half of all businesses surveyed (47%) have neither a training plan nor a budget, with over a quarter (28%) saying they have both. (*Appendix 5, Table 6*).

Those that had 'Both' were more likely to have a business plan (see Section 2) and more likely to be from service sectors. Businesses that had neither were more likely to come from the 'Manufacturing', 'Retail et al', and 'Agriculture' sectors. (*Appendix 5, Tables 7 and 8*).

Turnover was also a factor, with companies over £500,000 pa being more likely to say they have both a training plan and budget, than those with smaller turnovers. Answer Tree showed that the number of employees a company has is a secondary factor (as is whether the business is part of a larger group). (*Appendix 5, Table 9*).



Pie Chart 10: Whether South Hams Businesses have a Training Plan and / or Budget

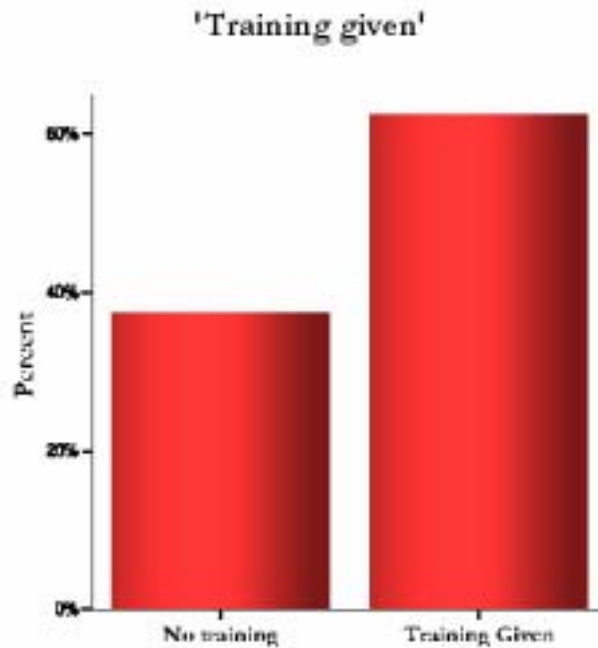
South Hams Business Survey 2001

Marketing Means

Levels and sources of training

Two thirds of respondents indicated that they provided some sort of training to employees. (*Appendix 5, Table 10*). A third of all this training (35%) is 'informal' and a further third (31%) is through 'short practical courses'.

'Hotels et al', 'Retail et al', 'Agriculture', and 'Manufacturing' use informal training whereas 'Transport', 'Education et al', and 'Agriculture' are more likely to use short, practical courses. 'Professional qualifications' and 'degree sponsorship' were far more likely to be used by service industries. (*Appendix 5, Table 11*).



Bar Chart 12: Whether Training is given in South Hams Businesses

Businesses make use of all sources of training fairly equally, both internal and external, with the exception of 'Local Universities', which are identified far less often. There are few differences by either turnover or sector as to the sources of training. (*Appendix 5, Table 12*).

South Hams Business Survey 2001

Marketing Means

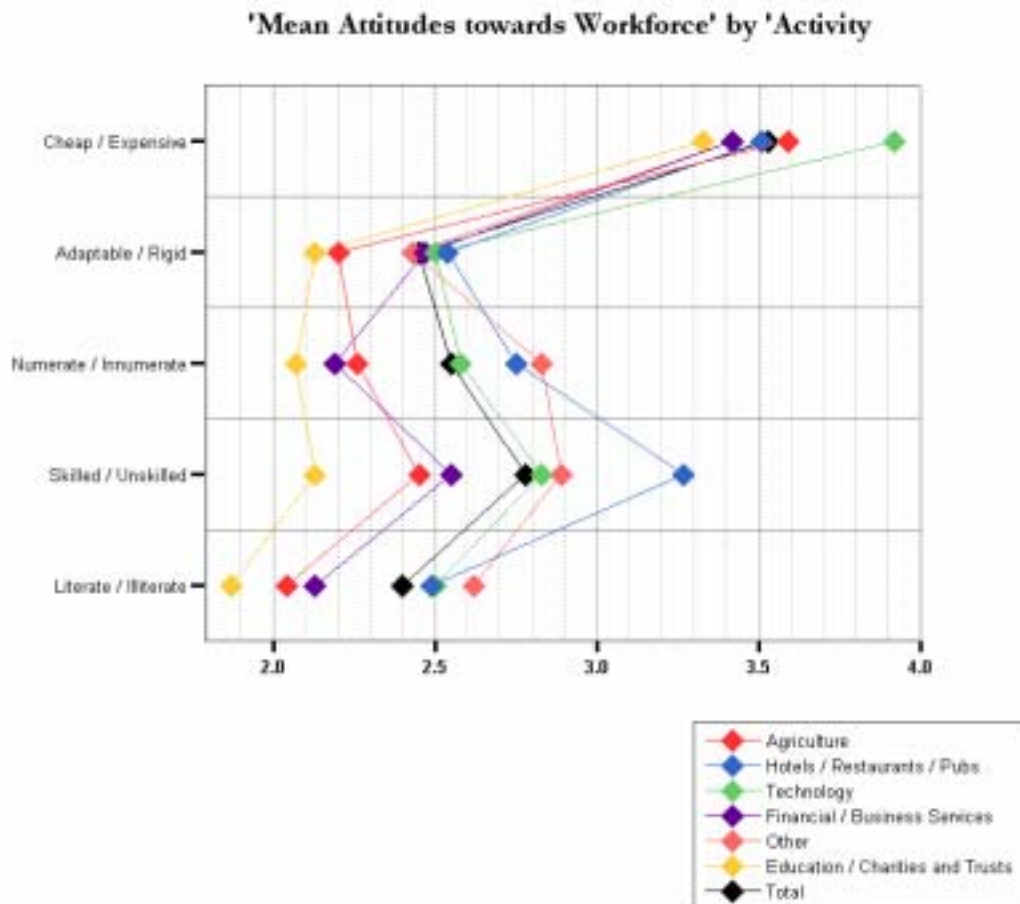
Attitudes to employees in the South Hams

'Snake' Charts 1 & 2 show mean attitudes to the work force by sector and turnover. The higher the number (further to the right) the more towards the 'negative' end of the scale and vice-versa.

There were some overall trends, as can be seen. Most businesses tended to consider the work force to be 'fairly literate' and numerate (a total mean of around 2.4 for both). Similarly, they were considered to be 'fairly adaptable' - (total mean 2.45) - and reasonably skilled (total mean 2.8). There was general agreement that the workforce tended towards the expensive side (total mean 3.55).

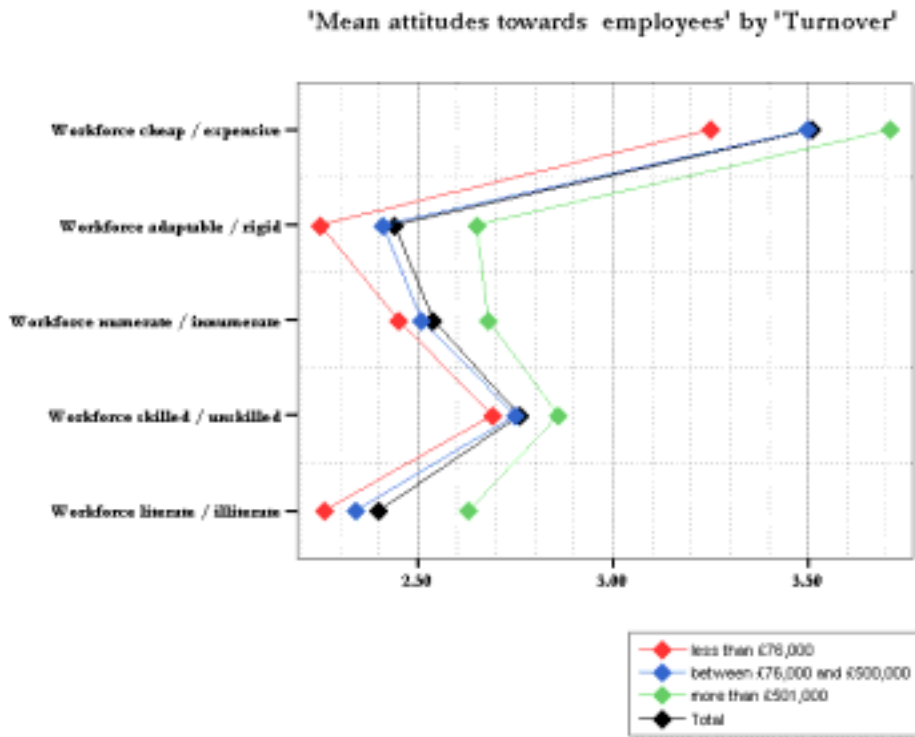
There were slight differences by sector and significant differences by turnover. Office based services tended to consider the workforce more literate and numerate than other sectors. 'Hotels et al' were much more likely to consider the workforce 'unskilled'.

The differences on turnover were more marked, with companies with turnovers above £500,000 pa viewing the workforce more negatively on all factors, but especially adaptability, cost and literacy.



Snake Chart 1: Mean Attitudes Towards Workforce by Business Activity

South Hams Business Survey 2001
Marketing Means



Snake Chart 2: Mean Attitudes Towards Workforce by Turnover

Section 6

Business Premises and Location (Section 2 of Questionnaire)

6: Business premises and location

This section looks at issues concerned with the premises and location of businesses in the South Hams. These include the number and type of premises used, their adequacy and state of repair as well as broader issues such as reasons for location in the district and whether or not businesses are considering moving away. The answers to this section give an indication of the relative stability of the local economy as well as location problems businesses in the South Hams need to overcome.

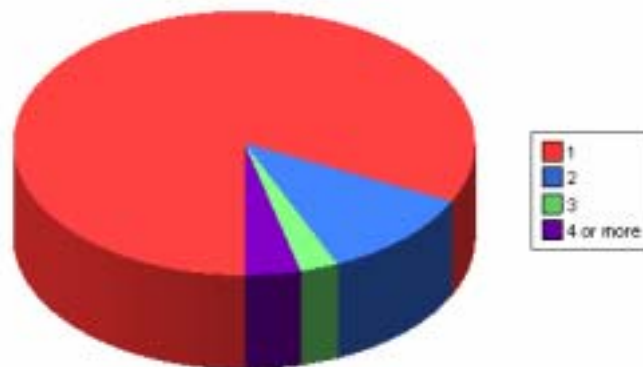
Number of premises in the South Hams

Pie Chart 11 shows how many premises respondent businesses have in the South Hams. This cannot be an exact representation of the number of premises owned by businesses (national companies, for example, may have only one premises in the district), but it does give a good indication.

A large majority of businesses (82%) that responded indicated that they had '1' premises in the South Hams, with a further 11% with '2' premises. (*Appendix 6, Table 1*).

'Manufacturing', 'Retail et al', 'Health et al', and 'Other service' were more likely to have more than one premises and 'Agriculture' and 'Construction' had more than 'expected' single premises businesses. (*Appendix 6, Table 2*).

Number of business premises in the South Hams



Pie Chart 11: Number of Business Premises in the South Hams

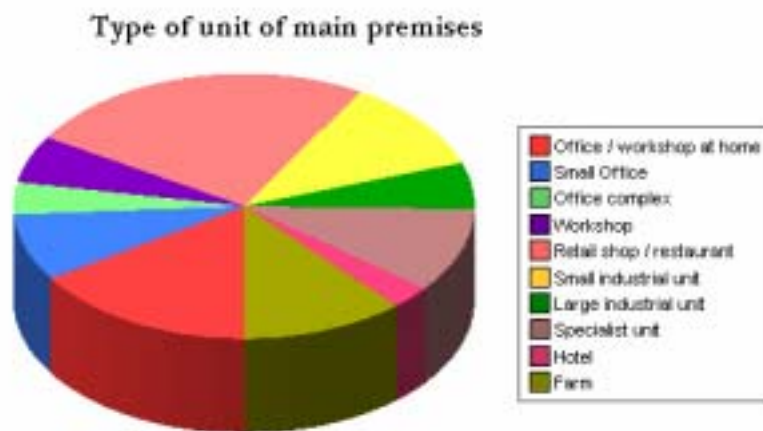
Type of unit of main premises

A quarter of premises (25%) were 'retail shop / restaurants', the largest group as shown in Pie Chart 12. This accounted for just over half each of the two categories - 'Retail et al' and 'Hotels / Restaurants / Pubs' ('Hotels et al'). (*Appendix 6, table 3*).

'Construction', 'Financial', 'Technology', and 'Other services' were the most likely to operate from a home base.

Over a third of all industrial units (39%) are occupied by 'Manufacturing' businesses with another third (34%) occupied by 'Retail et al' businesses.

Nearly all (92%) of 'Agriculture' businesses indicated a farm as their main premises, although 4% indicated their home and 3% a small office. (*Appendix 6, table 4*).



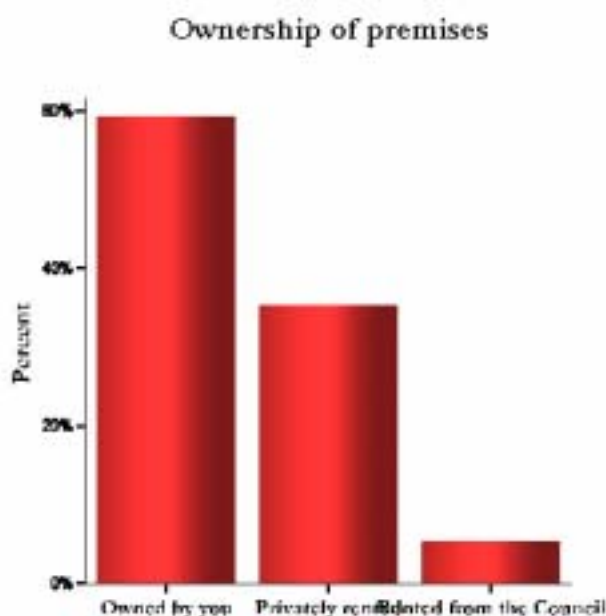
Pie Chart 12: Type of Unit of Main Premises

Premises ownership

As can be seen from Bar Chart 13, 59% of businesses own their business premises, 35% rent privately and 5% rent from SHDC. (*Appendix 6, table 5*).

There were differences in levels of ownership both by activity of business and by turnover. 'Agriculture', 'Health et al' and 'Construction' were more likely to own their premises, whereas 'Retail et al' and 'Other services' were more likely to rent privately. 'Manufacturing' was the category most likely to rent from SHDC. (*Appendix 6, table 6*).

The groups '£76 - £150,000' and '£151 - £500,000' are the most likely to rent privately, with the lower turnover groups the most likely to have ownership. (*Appendix 6, table 7*)



Bar Chart 13: Ownership of Business Premises in the South Hams

Adequacy of premises size and premises sharing

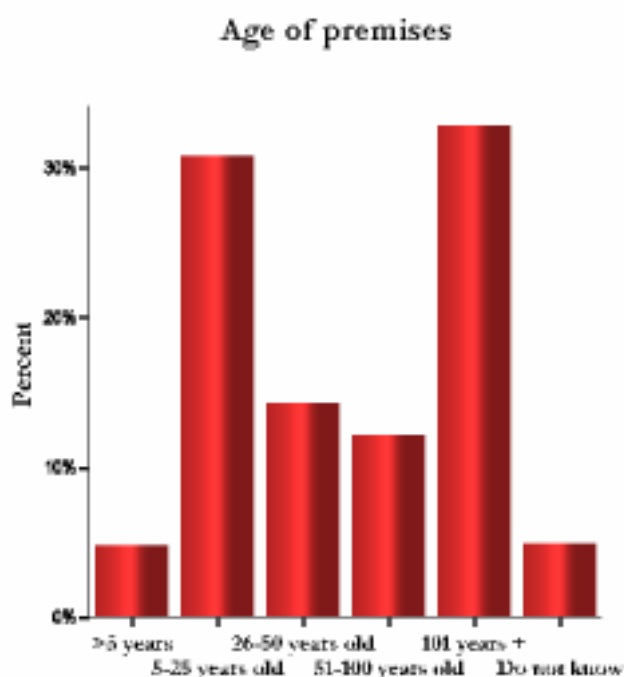
A quarter of businesses (25%) consider their premises to be 'too small' and nearly three quarters (74%) indicated that their premises were about right. Only 16 businesses thought their premises were too large. There were no significant differences either by turnover or business activity. (*Appendix 6, table 8*).

The majority (81%) indicated they would be unwilling to share their premises with other businesses. (*Appendix 6, table 9*).

Age of premises

Bar Chart 14 shows that a third (33%) of all business premises of those who responded were over 101 years old and that almost a third more (31%) were between 5 and 25 years old. (*Appendix 6, table 10*).

'Agriculture' had more older premises than would be 'expected' and 'Manufacturing' had far more newer premises. (*Appendix 6, table 11*). There are also significant differences by 'turnover', with those with larger turnovers (£1m+) being far more likely to be in newer premises (although this will be in part to do with sectors like 'Manufacturing' having higher turnovers than other sectors). (*Appendix 6, table 12*)



Bar Chart 14: Age of Business Premises in the South Hams

State of repair

The majority (70%) of respondents indicated that their business premises were in 'Very Good' or 'Generally Good' state of repair. Only 3% indicated their premises were in 'Urgent Need of Repair'. (*Appendix 6, table 13*).

The older the property, the more likely it is that it is in need of repair. (*Appendix 6, table 14*).

Reason for location in the South Hams

Over half of all respondents (54%) indicated that the fundamental reason for locating in the South Hams was that the owner was already living here, followed by 'Access to customers' (21%) and 'Pleasant environment' (17%). (*Appendix 6, table 15*)

There are significant differences in the reasons for location between both activity and turnover. 'Construction' and 'Agriculture' sectors had higher than 'expected' numbers saying the 'Owner already lived here'. 'Retail et al' and 'Manufacturing' were more likely to say that 'Access to customers' was the key reason and 'Hotels et al' were the most likely to say that 'Pleasant environment' was important (although this may be interpreted partially as 'Access to customers'). (*Appendix 3, table 16*).

Correspondingly, the greater the turnover, the more likely the respondent was to indicate 'Access to customers' as the critical reason. (*Appendix 3, table 17*).

Considering a move

A fifth (19%) are considering moving premises in the future, (*Appendix 6, table 18*) of which 56% say they would stay within the South Hams and a further 32% would stay within Devon. Only 2% would go 'elsewhere in the EU', although 4% would go 'elsewhere in the World'. (*Appendix 6, table 19*).

Businesses in the 'Manufacturing' sector are far more likely to be considering a move than others and 'Agricultural' businesses are less likely. (*Appendix 6, table 20*). The most common reason for considering a move is 'More space required / expansion'. (*Appendix 6, table 21*).

Adequacy of private sector provision of premises and factors for improvement

A third of businesses (34%) do not consider that the private sector gives adequate provision of business premises within the South Hams. (*Appendix 6, table 22*). 'Manufacturing' and 'Other services' are the two sectors most likely to consider this true (*Appendix 6, table 23*) although there are no differences between those with higher or lower turnover.

When asked what factor could be improved in relation to business premises, three emerged as the most common. 'Access to transport routes' was the most popular with 37%, followed by 'Cost' (31%) and 'More specialist premises' (25%). (*Appendix 6, table 24*).

Attitudes towards business location in the South Hams

The following two 'Snake' Charts show average attitudes towards South Hams as a business location based on 'Business activity' and 'Turnover'. The higher the number (further to the right) the more towards the 'negative' end of the scale and vice-versa. The five scales that respondents were asked to fill in were whether the South Hams is: 'innovative / traditional'; 'central / remote'; 'cheap / costly'; 'high tech / low tech' and 'strong / vulnerable'.

The diagram by 'Business activity' shows that the averages for all respondents to all five questions fall below the mid-point of 3.5. This means that generally businesses view the South Hams slightly negatively as a business location. There are differences among sectors, however.

'Technology' businesses, for example, tended to see the South Hams as cheaper and more innovative than other business. Even so, they did consider that the district was more remote than others. 'Financial Services' followed a similar pattern.

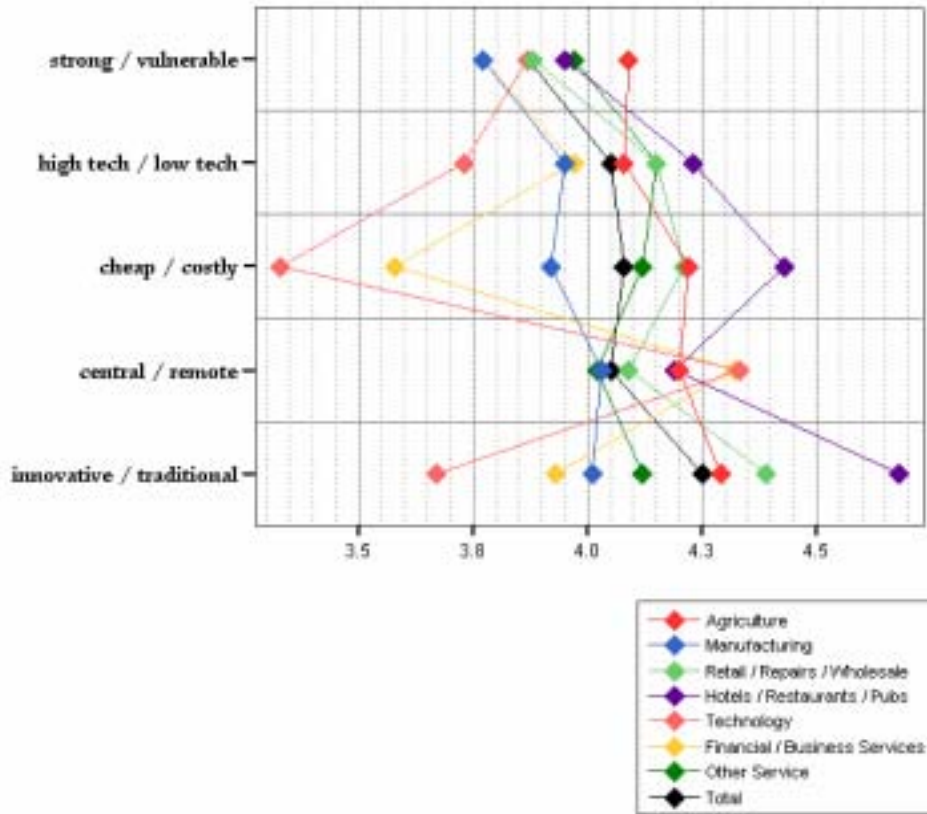
South Hams Business Survey 2001

Marketing Means

'Hotels et al' on the other hand tended to have the opposite view, seeing the South Hams as 'Costly' and 'Traditional' with 'Agriculture' similarly following the pattern.

There was more general agreement that the area was considered vulnerable and relatively remote.

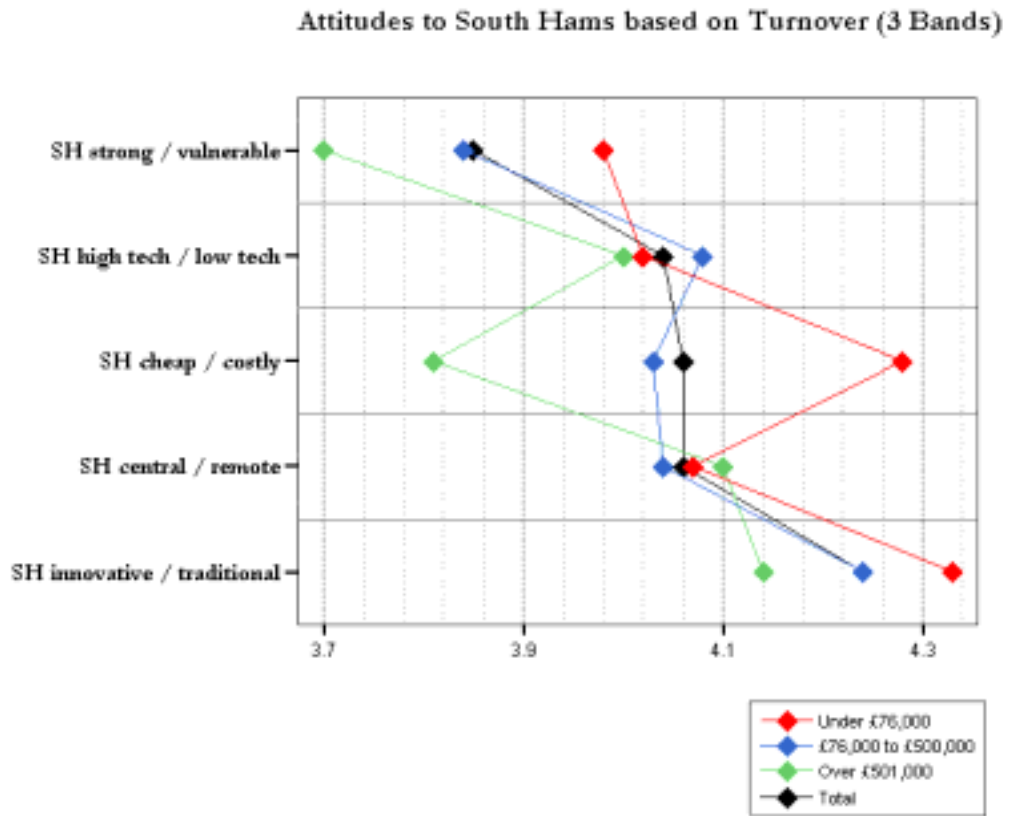
'Attitudes towards the South Hams' by 'Main business activity'



'Snake' Chart 3: Average Attitudes by Sector towards South Hams

When the attitudes were examined based on 'Turnover', a clear pattern emerged. Lower turnover businesses ('Under £76,000 pa) saw the South Hams as more 'vulnerable', 'traditional' and 'costly' and businesses with larger turnovers ('Over £501,000 pa) as less so.

South Hams Business Survey 2001
Marketing Means



'Snake' Chart 4: Average Attitudes by Turnover towards South Hams

Section 7

Information Technology and Environmental Issues

(Sections 3 & 4 of Questionnaire)

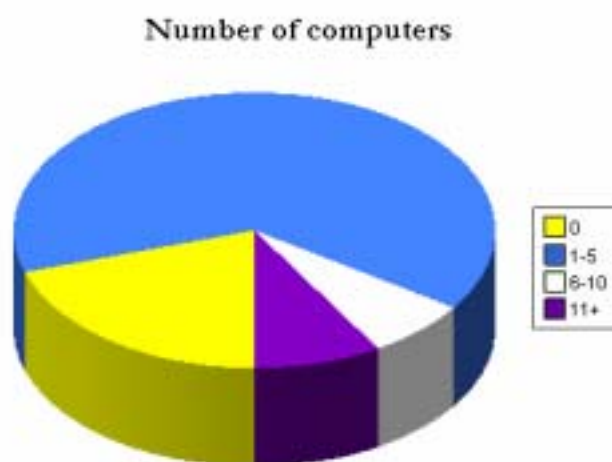
7: Information Technology and Environmental Issues

This section looks at the behaviour and attitudes of South Hams businesses towards the relatively modern phenomena of information technology, particularly the Internet, and environmental issues. The questions were used to give an indication of how well geared the business community in the district is to meeting the challenges of the future and their priorities in these fields.

Number of computers

Two thirds (64%) of all respondent businesses had between 1 and 5 computers with a further 15% having more than 6 computers. A fifth of all respondents (20%) said their business had no computers at all. (*Appendix 6, Table 1*).

'Agriculture' had a higher than 'expected' number of businesses without any computers, with 'Technology', 'Manufacturing' and businesses in service sectors being more likely to have over 6. (*Appendix 6, Table 2*).



Pie Chart 13: Number of Computers owned by Businesses in the South Hams

Numbers of businesses with a website

Over half of the respondent businesses (58%) indicated they did not yet have a website, with 42% saying they did. In the 1999 survey, 18% of respondents had a website. This indicates a significant growth in Internet usage in the last 2 years. (*Appendix 6, Table 3*).

The sectors most likely not to have a website were 'Agriculture', 'Construction' and 'Health et al' with 'Technology', 'Manufacturing', 'Other services' and 'Hotels et al' being the most likely. (*Appendix 6, Table 4*). The larger the turnover the more likely the business was to have a website. (*Appendix 6, Table 5*).

The most common reason given for not having a website was 'Not appropriate for my business' (55%) followed by 'Lack of IT experience' (29%). (*Appendix 6, Table 6*).

Percentage of sales from website

Of those businesses with a website, 29% estimated that none of their sales came directly from it, with a further 47% estimating it generated less than 10% of sales (76% in total under 10%). (*Appendix 6, Table 7*).

Adequacy of IT infrastructure

Nearly two-thirds of respondents (63%) indicated that they 'do not know' whether the information technology infrastructure is adequate in the South Hams. A fifth (21%) indicated they thought IT infrastructure is adequate, with 13% saying they did not think it is. (*Appendix 6, Table 8*).

Of those who expressed dissatisfaction, the majority (70%) considered lack of availability of higher bandwidths to be the main problem. (*Appendix 6, Table 9*).

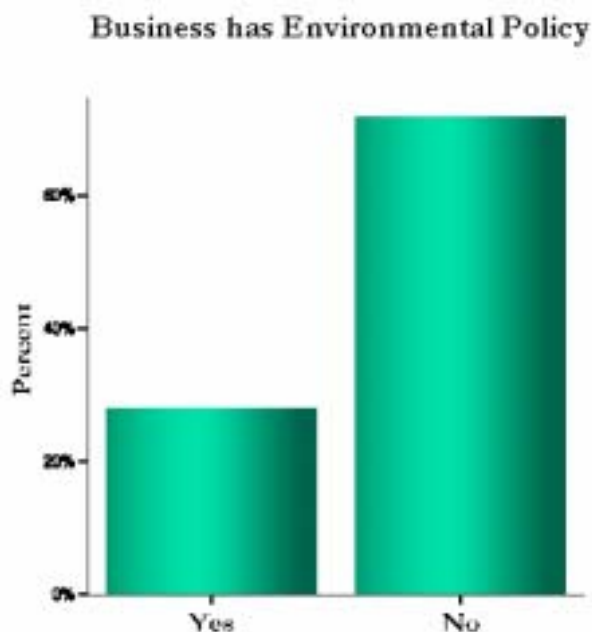
Environmental policy statements

Bar Chart 15 shows that nearly three quarters (72%) of respondent businesses do not have an environmental policy statement, with 28% saying they do. (*Appendix 6, Table 10*).

However, sectors such as 'Manufacturing' (43%) and 'Agriculture' (34%) had higher numbers saying they did have an environmental policy. 'Financial Services' (5%) and 'Transport' (15%) were much lower. (*Appendix 6, Table 11*).

There were also significant differences by turnover. Those businesses with a turnover of more than £3.1m pa were far more likely to have an environmental policy (76%) than those with lower turnovers. In the £55-75,000 range, for example, only 12% had a policy statement. (*Appendix 6, Table 12*).

Nearly half of those without a policy (48%) said that 'it is not appropriate ...' and a further third (36%) 'had not considered one'. (*Appendix 6, Table 13*).



Bar Chart 15: Businesses in the South Hams with an Environmental Policy Statement

Environmental quality standards

Slightly more businesses indicated they had an environmental quality standard (31%) than had an environmental policy statement. (*Appendix 6, Table 14*).

'Agriculture' was far more likely than any other type of business to have an environmental quality standard (53%). 'Manufacturing', that had a high number of environmental policy statements, had below average (23%) numbers of environmental quality standards. (*Appendix 6, Table 15*).

Environmental behaviour

The most 'popular' environmental measure taken by all businesses that responded was 'local purchasing' which 60% said they implemented. The least 'popular' measure that was relevant to all types of business was 'water saving', with only 34% indicating they had implemented this measure. (*Appendix 6, Table 16*).

There were differences by sector. For example, 'Technology' and 'Financial Services' were far more likely to 'recycle office materials' than 'Agriculture' or 'Hotels et al'. Conversely, 'Agriculture' and 'Hotels et al' were the most likely to have 'water saving' measures with 'Technology' and 'Financial Services' the least likely. There seems (on these figures) to be a 'pragmatic', cost-driven motive to adopting environmental measures with companies adopting measures that cut expenditure or are easy to implement. (*Appendix 6, Table 17*).

There was no noticeable pattern to environmental behaviour by turnover. (*Appendix 6, Table 18*).