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Youth Entrepreneurship Aspiration Research – Final Report



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Youth Entrepreneurship Aspiration Research – Final Report

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beaufortresearch

Final report for the Welsh Government Author: Nia Bryer

Quality Check: Chris Timmins and
Heledd Bebb

Browerdd, Heol yr Ysgol,
Llanarthne, Sir Gâr
01558 822 922
nia@ob3research.co.uk

38 Llewelyn Goch
St Fagans, Cardiff
CF5 6HR 029 2221 9226
heledd@ob3research.co.uk

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Executive Summary

OB3 Research and Beaufort Research were commissioned by the Welsh Government to identify and understand the drivers and barriers that influence young entrepreneurs who are considering setting up or who have started a business with the objective of producing a clear segmentation report to challenge and inform service delivery.

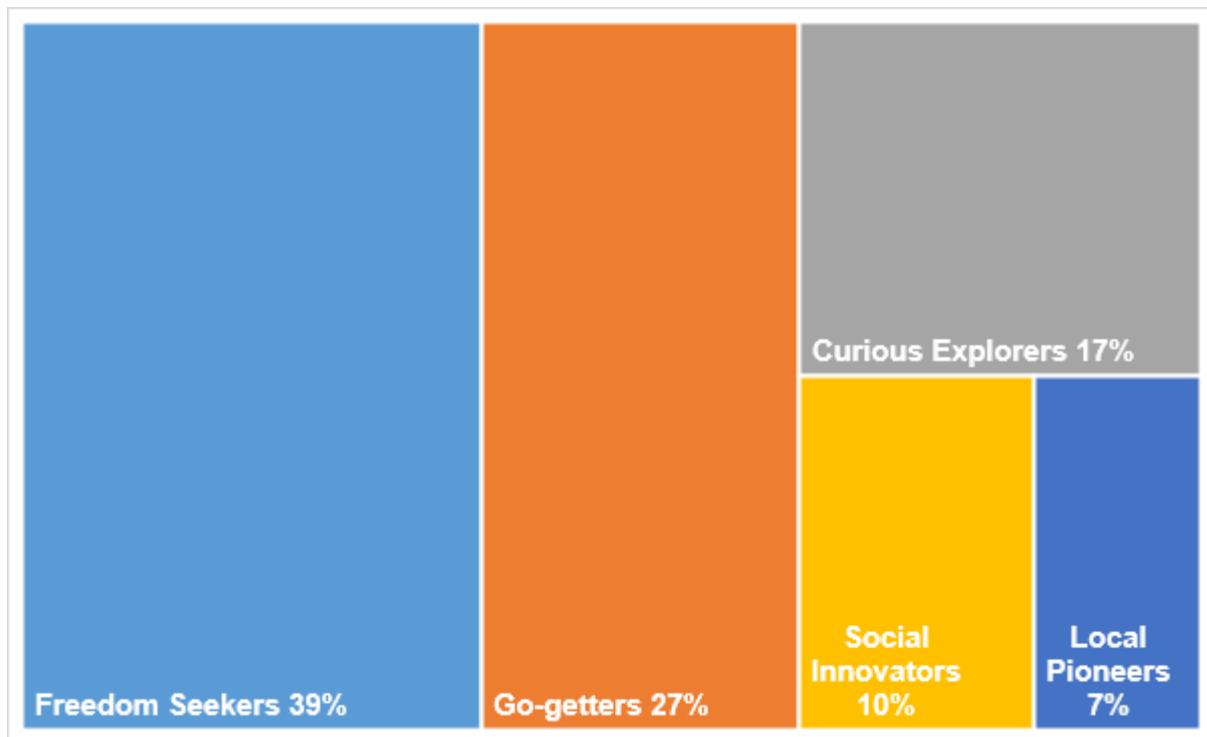
The method deployed for undertaking this research included a telephone survey of 153 young entrepreneurs and qualitative follow up interviews with a sample of 15 respondents.

The key findings of the quantitative survey revealed that:

- In terms of gender, 68 per cent of those surveyed were men and 32 per cent were female
- In terms of age, 22 per cent were aged 16-21, 33 per cent were aged between 22 and 24 and 45 per cent were aged 25 to 30 years old
- The large majority of those surveyed (88 per cent) had already started in business with over half (53 per cent) having done so within the last year
- On average, surveyed respondents had spent just over 15 months making the transition into self-employment, of which six months had been spent actively planning to start up
- Surveyed respondents primarily viewed what they were doing as 'running a business' (76 per cent) as well as being 'self-employed' (48 per cent) and had been driven into business in order 'to be their own boss' (51 per cent) and to have 'more freedom' (29 per cent)
- The two most common reasons why they had pursued self-employment related to having spotted a good business opportunity (at 93 per cent) and wanting to be their own boss (at 92 per cent)
- The most common concern about starting up in business related to finance (be that earning an income from trading, cited by 27 per cent of those surveyed, or making a financial loss, cited by 24 per cent) and the biggest barrier to starting up was the lack of personal finance to invest in the business, cited by 18 per cent
- Three quarters (75 per cent) of those surveyed felt that they had been well prepared to start up in business although the amount of relevant work experience gained prior to starting did vary
- Surveyed respondents had accessed support or advice from a fairly wide range of possible sources, with business advisors (at 41 per cent), family members (at 27 per cent) and friends or colleagues (at 22 per cent) the most commonly cited although a fifth (19 per cent) had not accessed support from anybody else

- The vast majority of those surveyed thought that self-employment provided an opportunity for them to achieve a sense of satisfaction (98 per cent), to apply their talent and creativity (94 per cent) and provide them with a real sense of purpose (93 per cent). A more mixed view was conveyed about the extent to which it provided a good work-life balance (with 57 per cent agreeing). Overall, surveyed respondents (at 92 per cent) thought that running their own business gave them greater satisfaction than working for somebody else
- The majority of those trading (80 per cent) considered their business to be their main source of income
- Whilst 52 per cent of those surveyed were sole traders and did not employ anybody, the surveyed sample were ambitious in their outlook with over two-thirds (69 per cent) wanting to grow their business as large as possible and take on additional employees and a further 13 per cent wanting to grow the business but without taking on employees.

A factor and cluster analysis undertaken using the survey findings generated five key market segments, as set out below:



The main characteristics of these five market segments are defined below:

Freedom Seekers: attracted to being their own boss and the freedom which this offers whilst wanting to make a comfortable living.

<p><i>Profile:</i></p> <ul style="list-style-type: none"> • 39 per cent of those surveyed • 31 per cent are women and 69 per cent are men • 14 per cent are aged 21 and under, 36 per cent are aged 22 to 24 and 51 per cent are aged 25 to 30 • 76 per cent see themselves as 'running a business' and 54 per cent see themselves as 'self-employed' • 40 per cent are sole traders • 81 per cent consider business as their main source of income • 26 per cent serve immediate town/community and 37 per cent serve local authority/region • 65 per cent plan to grow their business and take on (more employees) whilst 19 per cent intend to growth their business but without taking on employees 	
<p><i>More likely to:</i></p> <ul style="list-style-type: none"> • be actively trading, at 85 per cent • perceive a lack of suitable employment available, at 54 per cent • be employed on full-time basis prior to starting, at 60 per cent • be employing others, at 60 per cent • consider themselves as tradespeople, at 16 per cent, and sub-contractors, at 13 per cent • be concerned about earning a wage, at 34 per cent, and making a financial loss, at 29 per cent • be driven by wanting to make comfortable living, at 70 per cent • be attracted to being their own boss, at 51 per cent, and to the freedom which this offers, at 31 per cent • think that they could have started their business quicker, at 29 per cent 	<p><i>Less likely to:</i></p> <ul style="list-style-type: none"> • be based in a rural area, at 19 per cent • be running businesses which trade internationally, at 6 per cent • have received helped from somebody else, at 22 per cent • think that education had influenced their attitude to business, at 42 per cent • be satisfied with their working life, at 87 per cent, or to consider that they have a good work life balance, at 49 per cent.

Go-Getters: confident and ambitious entrepreneurs driven by a desire to make money but who could be better prepared for running a business.

<p><i>Profile:</i></p> <ul style="list-style-type: none"> • 27 per cent of those surveyed • 39 per cent are women and 61 per cent are men • 24 per cent are aged 21 and under, 24 per cent are aged 22 to 24 and 51 per cent are aged 25 to 30 • 78 per cent see themselves as 'running a business' and 43 per cent see themselves as 'self-employed' • 51 per cent are sole traders • 81 per cent consider business as their main source of income • 20 per cent serve immediate town/community and 26 per cent serve local authority/region whilst 23 per cent serve international markets • 80 per cent plan to grow their business and take on (more employees) whilst 13 per cent intend to growth their business but without taking on employees 	
<p><i>More likely to:</i></p> <ul style="list-style-type: none"> • consider themselves an entrepreneur, at 76 per cent • be operating businesses serving wider markets • be driven by the objective of making money • be women, at 39 per cent • be aged between 25-30 years old, at 51 per cent • have been at college (11 per cent) or university (24 per cent) prior to starting up • be running longer established operations serving wider markets – 58 per cent had been running a business for more than one year • consider that their main barrier during start-up was finance related, at 22 per cent • commit very long hours to business • feel overworked and stressed (at 59 per cent) and isolated (at 32 per cent) • apply their talent and creativity (at 100 per cent) and feel more satisfied with their working lives (at 98 per cent) • be the most ambitious in terms of growth and taking on employees 	<p><i>Less likely to:</i></p> <ul style="list-style-type: none"> • have concerns about starting up in business: 24 per cent had no concerns about starting up • have supportive parents in place, at 85 per cent • have prepared for starting in business, at 68 per cent

Curious Explorers: individuals who are ‘dabbling’ in business due to the freedom it offers and the opportunity it provides to be creative, often in their spare time without being reliant on the income it generates.

<p><i>Profile:</i></p> <ul style="list-style-type: none"> • 17 per cent of those surveyed • 19 per cent are women and 81 per cent are men • 38 per cent are aged 21 and under, 38 per cent are aged 22 to 24 and 23 per cent are aged 25 to 30 • 58 per cent see themselves as ‘running a business’ and 31 per cent see themselves as ‘making money from a hobby’ • 80 per cent are sole traders • 73 per cent consider business as their main source of income • 23 per cent serve immediate town/community and 23 per cent serve international markets • 58 per cent plan to grow their business and take on (more employees) whilst 12 per cent intend to growth their business but without taking on employees 	
<p><i>More likely to:</i></p> <ul style="list-style-type: none"> • be male, at 81 per cent • be from younger cohorts • be considerers (at 27 per cent) compared to other segments • have been studying at university prior to starting up, at 27 per cent • be making money from hobby (at 31 per cent) and commit to their business during their spare time (at 27 per cent) or during short working week (at 38 per cent) • have been driven to self-employment by the freedom (58 per cent) and creativity (100 per cent) it offers • place a priority upon making a comfortable living • think that self-employment is common practice in their sector • be concerned about making a financial loss, at 31 per cent 	<p><i>Less likely to:</i></p> <ul style="list-style-type: none"> • consider themselves an entrepreneur, at 54 per cent • be employing somebody else, at 20 per cent • have been driven to self-employment by difficulties getting a job, at 27 per cent • reliant on their business as a source of income, at 73 per cent • to have supportive parents, at 81 per cent • be overworked and stressed (at 33 per cent) or isolated (at 13 per cent) • be ambitious in terms of their future outlook for their business • have faced barriers when starting up – 31 per cent had not faced barriers

Social Innovators: Ambitious individuals who are attracted to running their own business to achieve social change and make a difference to their community and clients, whilst also making a comfortable living.

<p><i>Profile:</i></p> <ul style="list-style-type: none"> • 10 per cent of those surveyed • 44 per cent are women and 56 per cent are men • 25 per cent are aged 21 and under, 31 per cent are aged 22 to 24 and 44 per cent are aged 25 to 30 • 94 per cent see themselves as 'running a business' and 56 per cent see themselves as 'working for yourself' • 46 per cent are sole traders • 77 per cent consider business as their main source of income • 25 per cent serve immediate town/community, 19 per cent serve their local authority area and 25 per cent serve their region. A further 25 per cent serve international markets • 75 per cent plan to grow their business and take on (more employees) whilst 6 per cent intend to growth their business but without taking on employees 	
<p><i>More likely to:</i></p> <ul style="list-style-type: none"> • Be driven by a desire to see social change and make a difference, at 81 per cent • be motivated by the need to tackle a social problem or support their community, at 38 per cent • be women, at 44 per cent • be better educated – 57 per cent are educated at Level 5 or above • think that self-employment enables them to live where they do, at 75 per cent • be concerned about earning a wage, at 31 per cent. and securing clients, at 25 per cent • have faced start up barriers with lack of personal finance to invest, at 31 per cent, the biggest barrier • have accessed business advisor support, at 50 per cent • find running a business stressful • commit very long hours to venture, at 56 per cent • consider that meeting the needs of customers is important and that they enjoy this, at 46 per cent • Be fairly ambitious in terms of business growth and future employment 	<p><i>Less likely to:</i></p> <ul style="list-style-type: none"> • Think that running a business is what they've always wanted to do • Have started their business due to difficulties finding employment elsewhere • have wanted to be their own boss, at 38 per cent • be concerned about making a loss, at 6 per cent • have invested their own savings in the venture, at 56 per cent

Local Pioneers: Well prepared and modestly ambitious self-employed sole traders who run small, localised businesses driven by the need to secure social status.

<p><i>Profile:</i></p> <ul style="list-style-type: none"> • 7 per cent of those surveyed • 27 per cent are women and 73 per cent are men • 18 per cent are aged 21 and under, 36 per cent are aged 22 to 24 and 45 per cent are aged 25 to 30 • 82 per cent see themselves as 'running a business' and 73 per cent see themselves as 'self-employed' • 70 per cent are sole traders • 80 per cent consider business as their main source of income • 45 per cent serve immediate town/community, 19 per cent serve their local authority, 27 per cent serve their region and 9 per cent serve UK markets. None serve international markets • 64 per cent plan to grow their business and take on (more employees) whilst 27 per cent considering starting another business 	
<p><i>More likely to:</i></p> <ul style="list-style-type: none"> • see themselves as self-employed business owners, at 73 per cent • run small, one-person businesses (70 per cent are sole traders) serving immediate local town or community • be male, at 73 per cent • have been previously employed on a full-time basis, at 60 per cent • make journey into self-employment fairly swiftly • have concerns around securing clients, making sales and insufficient finance in place • be the most prepared for running a business in terms of prior experience and research undertaken, at 91 per cent • Consider that self-employment provides social status • have always wanted to run their own business and 100 per cent want to be their own boss • have modest growth ambitions but are not averse to considering starting another business, with 27 per cent considering starting another business over next few years 	<p><i>Less likely to:</i></p> <ul style="list-style-type: none"> • to be very young, with 18 per cent aged 21 and under • based in or close to a city, at 9 per cent • to be stressed and overworked, at 20 per cent • see the business as an avenue for their creativity and talent, at 60 per cent • have faced barriers to starting up, with 45 per cent having not faced any barriers

1. Introduction

OB3 Research and Beaufort Research were appointed by the Welsh Government to undertake youth entrepreneurship aspiration research.

The Welsh Government commissioned this research study to identify and understand the drivers and barriers that influence young entrepreneurs who are considering setting up or who have started a business with the objective of producing a clear segmentation report to challenge and inform service delivery.

The purpose of the research was to gain an understanding of the needs of young entrepreneurs in order to inform the development of campaign messages and content for workshop delivery, and to broaden the understanding of youth entrepreneurship partners and champions, support advisers and role models operating in this area. In particular, the aims of the research were:

- To understand the perceived gap between high aspiration for entrepreneurship and lower actualisation of business ideas to business creation
- To understand the drivers, barriers and influences on young entrepreneurs that start a business under 25 (although the research could reflect on those under 30)
- Utilise this knowledge to provide a clear segmentation of the market with insights on how to differentiate the approach and content of the communication campaign
- Utilise the findings to challenge and inform service provision and partners and to ensure that delivery meets the needs of millennial clients
- Use the research to stimulate interest and discussion amongst young entrepreneurs.

This final report presents:

- An overview of the research methodology deployed to undertake the research (Section 2)
- The findings of the quantitative survey with young entrepreneurs undertaken during June and July 2017 (Section 3). Interviews with a total of 153 respondents were completed (against a target of 150)
- The key market segments generated via the survey data analysis with supporting case study examples (Section 4).

2. Research Methodology

The method deployed for undertaking the youth entrepreneurship aspiration research involved:

- An inception phase to include an initial inception meeting with the client and the preparation of an inception report detailing the work programme to be deployed
- Accessing Welsh Government databases of young people supported via various business support and youth entrepreneurship programmes
- Accessing contact data for a cohort of 'non-Welsh Government supported' young entrepreneurs via a mixed approach, including procuring databases from commercial providers (Experian and Market Location); developing and hosting a bilingual survey recruitment webpage and promoting the weblink via social media routes; approaching a range of partner organisations to ask for their assistance to promote the recruitment web survey; and placing a question on the March 2017 Beaufort Omnibus in order to find potential survey respondents
- Removing any duplicate contacts from these sources and devising a sampling strategy to allow for key variables (Welsh Government supported / non-supported; started in business vs. considering and business sector to ensure the sampled interviewed offered a cross-section of views)
- Preparing a survey questionnaire to be deployed as a phone survey (set out at Annex A) and a qualitative discussion guide to be used during the follow up qualitative face to face interviews (set out at Annex B)
- Piloting and undertaking a total of 153 interviews with young entrepreneurs. A detailed method statement outlining the contacts approached and response rates secured is set out at Annex C
- Preparing survey data tabulations using a small number of key questions and undertaking a factor and cluster analysis to produce five market segments, set out at Section 4 of this report. We stress however that whilst the relatively small overall sample size (at 153) does not invalidate this technique in that differentiated attitudes can still be uncovered, it does mean that some of the resulting segments are small. As such, profile information of the smallest proposed market segments need to be considered with caution
- Undertaking qualitative follow up interviews with a sample of 15 respondents who had agreed to participate further within the research and incorporating the evidence into this report as anonymised case studies which typify each market segmentation target group

- Preparing this final report and presenting the findings to Welsh Government officials and members of Entrepreneurship Exchange Cymru¹.

¹ Entrepreneurship Exchange Cymru is a network of entrepreneurship support practitioners which provides opportunities to share good practice and develop their understanding of the subject area.

3. Quantitative Survey Findings

This chapter first sets out the profile of the surveyed sample (Section 3.1) and case study sample (Section 3.2). It then considers the findings of the surveyed sample including their journey and experiences in starting a business, their attitudes and aspirations to business, the profile of the businesses which they run and the support which they have accessed whilst starting and establishing their operations. The chapter then considers their ambitions and future aspirations for their businesses.

3.1 Surveyed Sample Profile

Of the 153 surveyed respondents, the large majority (88 per cent or 135 respondents) had already started in business whilst the remaining minority (12 per cent or 18 respondents) were considering doing so. At the time of surveying, 80 per cent of all those surveyed (122 respondents) were trading.

In terms of database source, just under half (48 per cent or 74 respondents) were contacts provided by the Welsh Government for individuals who had engaged with various Welsh Government initiatives whilst the remaining half (52 per cent or 79 respondents) were contacts obtained from non-Welsh Government sources, including two commercial providers - Experian and Market Location. These data sources are set out in Table 3.1 below:

Table 3.1: Database source of surveyed respondents

Database source	No of survey respondents	% of survey respondents
WG Graduate Bursary	1	1%
WG Start Up	2	1%
WG Jobs Growth Wales	4	3%
WG Bootcamp and Challenge	24	15%
WG Big Ideas Wales/Business Wales	43	28%
Experian	36	24%
Market Location	39	25%
OB3 registration survey	4	3%
Total	153	100%

Source: OB3/Beaufort Survey (Base=153)

In terms of the demographic profile of those surveyed, two-thirds (68 per cent or 104 respondents) were men whilst a third (32 per cent or 49 respondents) were female. A slightly higher proportion of Welsh Government sourced respondents (35 per cent or 26 of 74 respondents) than non-Welsh Government sourced respondents (29 per cent or 23 of 79 respondents) were female.

The majority of those surveyed (89 per cent or 136 respondents) were of a white British ethnic group, three per cent (five respondents) were of another white ethnic group, three per cent (five respondents) were of a Black/Caribbean or British African ethnicity and the remaining seven respondents were from seven different ethnic backgrounds.

The vast majority (92 per cent or 141 respondents) did not have a health problem or disability which restricted their day-to-day activities whilst 9 per cent did have a health problem or disability which either limited them a little (7 per cent or 10 respondents) or a lot (1 per cent or two respondents).

Just under half of those surveyed (45 per cent or 69 respondents) were aged 25-30, a third (33 per cent or 50 respondents) were aged between 22-24 and the remaining fifth (22 per cent or 34 respondents) were aged 16-21 years old.

In terms of geographical coverage, just over half (52 per cent or 80 respondents) were based within the south east region. A further quarter (27 per cent or 41 respondents) were based within the mid and south west region and 16 per cent (25 respondents) were based in north Wales.

The profile of those surveyed was fairly equally split in terms of the type of area within which they were based. A third (35 per cent or 53 respondents) were based in or close to a city, a further third (37 per cent or 57 respondents) were based in or close to a large town and a quarter (26 per cent or 39 respondents) were based in either a fairly or a very remote rural area.

In terms of their highest qualification achieved less than a fifth (17 per cent or 26 respondents) had a Level 2 or lower qualification, a third (32 per cent or 49 respondents) had a Level 3 or 4 qualification, a further third (35 per cent or 53 respondents) had a Level 5 or 6 qualification and a tenth (10 per cent or 16 respondents had a Level 7 qualification). Those with a Level 7 qualification were all aged between 25 and 30.

3.2 Case Study Sample Profile

Of the 15 individuals who were interviewed via a follow up survey all but one had already started in business and one was considering doing so. Nine had been sourced from Welsh Government data sources whilst six were from non-Welsh Government sources.

In terms of their demography and profile, two were aged 16-21, five were aged 22 to 24 and the remaining eight were aged 25 to 30 years old. The case study sample contained a greater proportion

of women than the surveyed sample - eight were male and seven were female. In terms of disability, three of the 15 had a disability or health problem which limited their day to day activities to some extent. All 15 noted their ethnicity as being from a white British ethnic group. In terms of their qualifications the case study sample were slightly better qualified than the overall survey sample with five having obtained a Level 7 qualification and a further five having obtained a Level 5 or 6 qualification.

In terms of geographical location, four were based in north Wales, four in the mid and south west and seven in the south east. In terms of the type of area within which they were based, six were based within or close to a city, five were based within or close to a large town whilst the remaining four were all based in a fairly rural area.

Nine of the case study respondents who were trading employed staff whilst five did not employ anybody else, other than themselves.

3.3 The journey to starting in business

Of the 135 surveyed respondents who had started a business, just over half (53 per cent or 71 respondents) had started within the last year and 43 per cent (58 respondents) were running an established business for longer than one year. A small number (4 per cent or six respondents) were no longer running a business, but had done so in the past few years. Welsh Government sourced respondents were more likely to have started a business within the last year (38 or 59 respondents, or 64 per cent) as were the younger cohorts.

Of the 18 respondents who had not yet started a business, over three-quarters (78 per cent or 14 respondents) had done some research and initial planning, half (56 per cent or ten respondents) were actively planning to start up whilst a third (33 per cent or six respondents) were testing their business idea.

Of those who had started a business within the last three years, less than a quarter of those surveyed (24 per cent or 32 of 135 respondents) thought that it would have been possible for them to have reduced the overall length of time it had taken to start their business whilst a further tenth (10 per cent or 13 respondents) thought that it might have been a possibility. These respondents thought that they could have started over a shorter duration had they not had to wait for other people, had they been able to secure the funding sooner or had been able to access more support generally. These

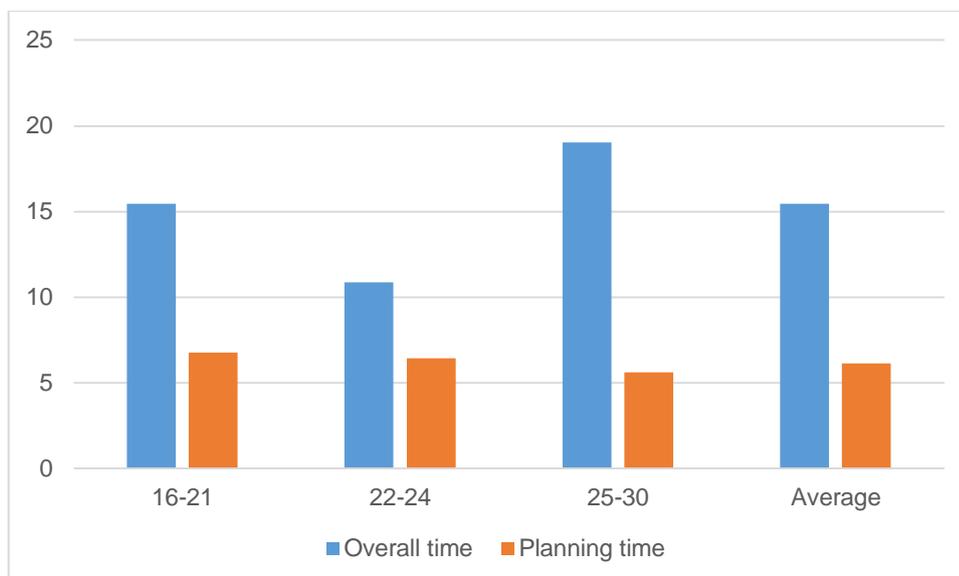
respondents also tended to mention that they would have valued support from a business advisor/mentor or financial support in order to start over a shorter space of time.

3.4 Duration of start-up process

On average, surveyed respondents had spent (or anticipated spending) just over 15 months overall making the transition into self-employment from the very first point of having considered the idea to starting up whilst on average, surveyed respondents had spent some six months actively planning their business start-up. The survey data suggests that men take longer overall (averaging just under 17 months) to make the transition into self-employment but tend to spend less time (averaging just over five months) on actively planning their start up process.

Figure 3.1 shows how the length of time taken by surveyed respondents to start in business, according to age group, varies. Interestingly those aged 25 to 30 spend the longest making the transition but the least amount of time actively planning and actually starting their business. Whilst the younger cohort aged 16 to 21 took on average some 15 months to make the transition it is worth noting that around a quarter of this cohort only spent a month overall from considering to starting their business.

Figure 3.1: Time spent making transition into self-employment (months)



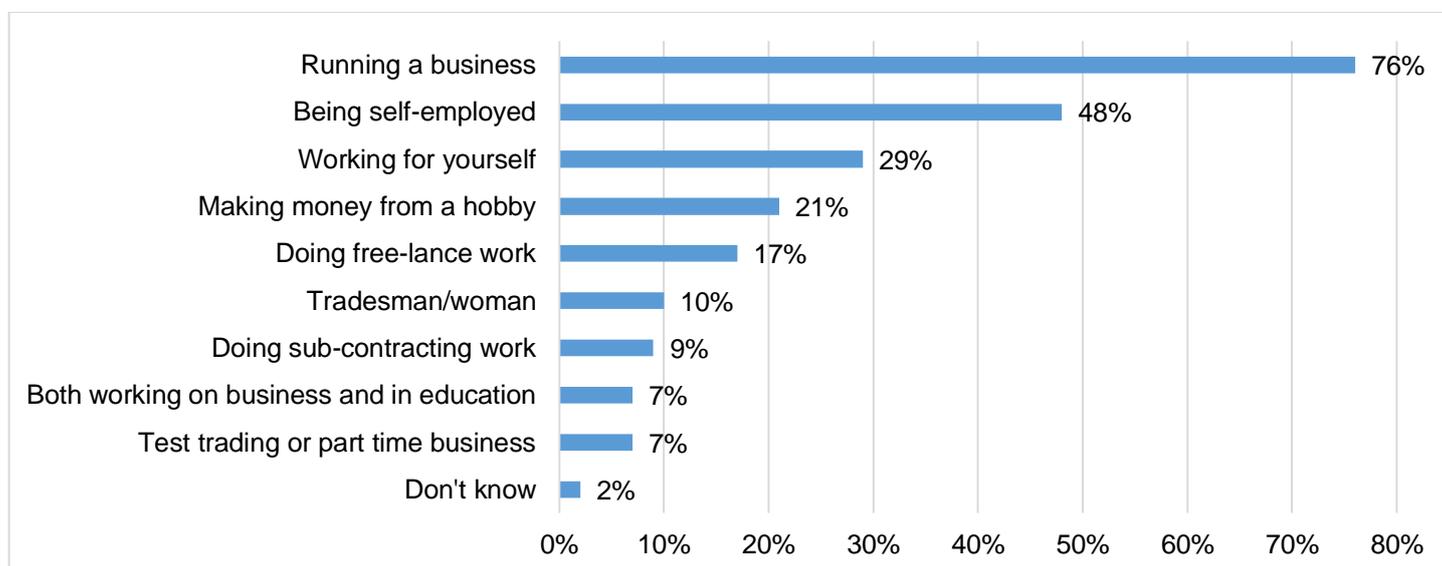
Source: OB3/Beaufort Survey (Base=153 respondents)

3.5 Perceptions of what they are doing

As set out at Figure 3.2, of those currently running a business or had considered starting a business in the last 12 months, three quarters (76 per cent or 111 respondents) considered what they did as

‘running a business’ whilst just under half (48 per cent or 71 respondents) thought of themselves as ‘being self-employed’. Other descriptions, such as doing freelance work or working for themselves were not as commonly held. The younger cohort (aged 16-21) were less likely to consider themselves to be ‘running a business’ and more likely to be also in education or working part time. Very little differences in perceptions were observed by gender although men were more likely than women to consider themselves to be ‘doing sub-contracting work’ (ten per cent of men compared with eight per cent of women). Respondents who had been sourced via the Welsh Government were more likely than others to be making money from a hobby, doing free-lance work or perceived themselves to be a tradesperson.

Figure 3.2: How surveyed respondents’ view what they’re doing/like to do

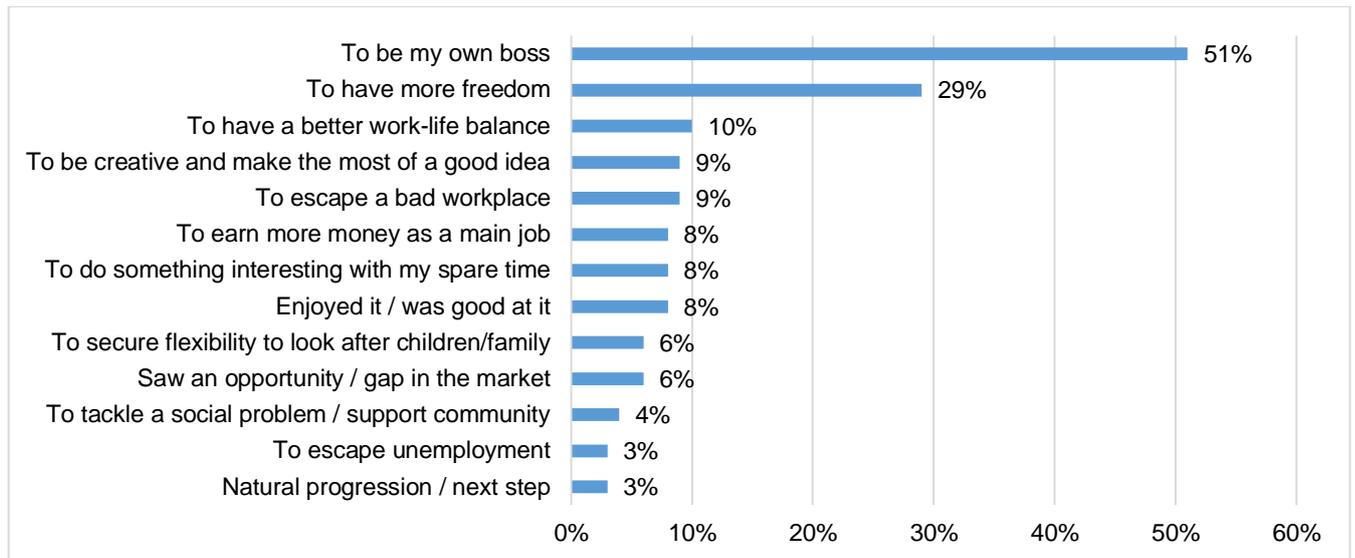


Source: OB3/Beaufort Survey (Base=147) Proportion of respondents currently running a business or considered starting a business in last 12 months

3.6 Motivations

Just over half of the surveyed sample (51 per cent or 78 respondents) noted that they had wanted to start their own business in order to be their own boss and these were more likely to be respondents from Welsh Government sources, women and those aged 22 to 24 years of age. The second main motivator related to wanting to have more freedom (cited by 29 per cent or 45 respondents) followed by wanting to achieve a better work-life balance. Other motivational factors were identified by fewer than 10 per cent of those surveyed, as shown in Figure 3.3.

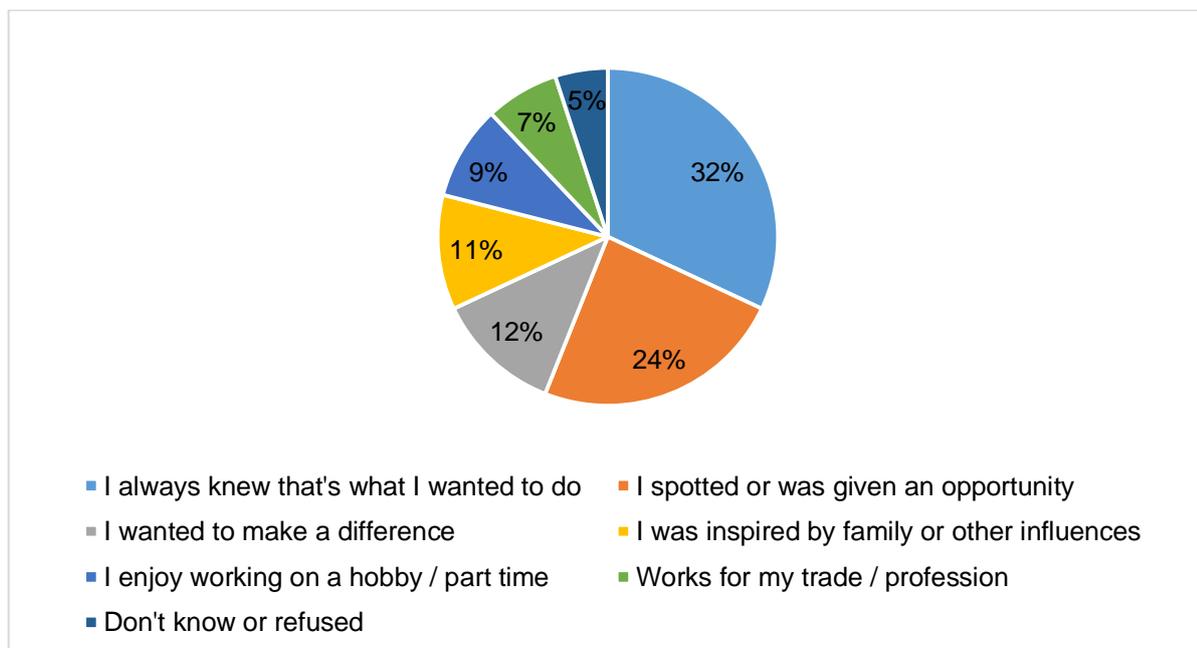
Figure 3.3: Surveyed respondents' motivations for starting their own business



Source: OB3/Beaufort Survey (Base=153 respondents) Unprompted question

Surveyed respondents were asked to identify one statement which best described their decision to start in business. These findings are illustrated in Figure 3.4 and suggest that the surveyed sample have a very broad range of views in relation to this question, although generally the most common statement selected was 'I always knew that's what I wanted to do'.

Figure 3.4: How surveyed respondents described their decision to start a business

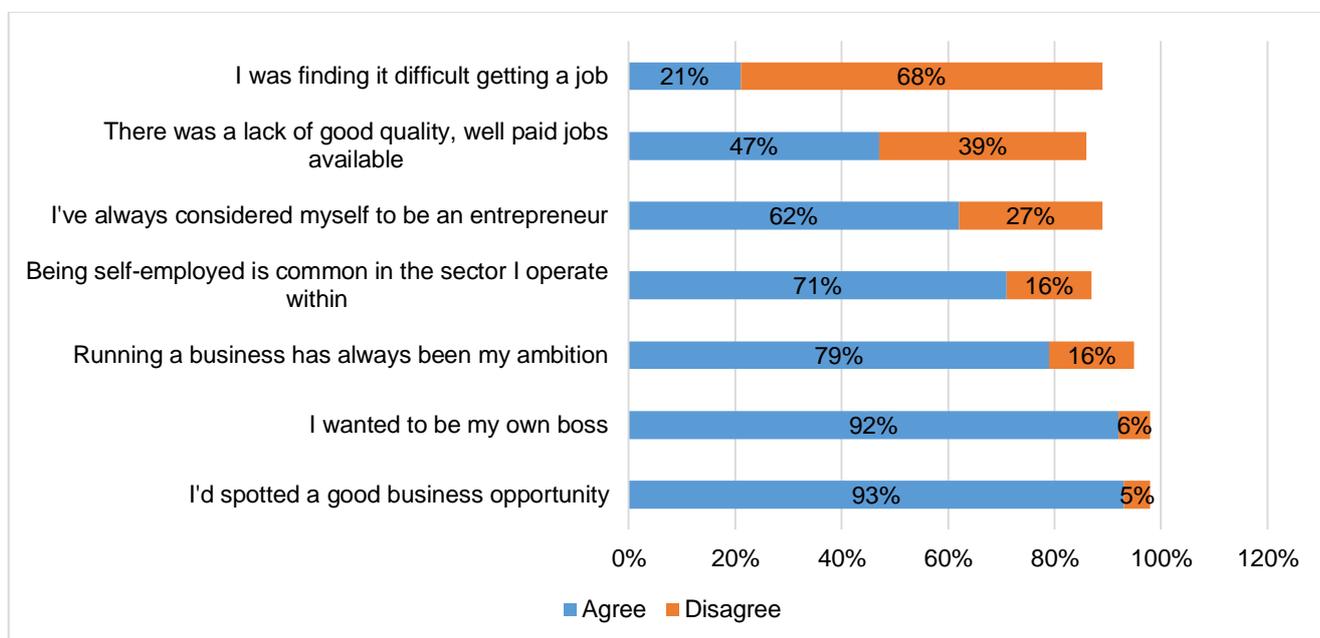


Source: OB3/Beaufort Survey (Base=153 respondents)

Just under two-thirds of the surveyed sample (59% or 90 respondents) considered themselves to have started their own business in an opportunistic manner whilst only 13 per cent (20 respondents) thought that they had done so out of necessity. A fifth (21 per cent or 32 respondents) noted that they had started due to both necessity and opportunistic factors².

Surveyed respondents were asked to agree or disagree with particular statements about their reasons for starting or wanting to start in business. These are presented in Figure 3.5 and reinforce the fact that respondents generally chose to pursue the self-employment route due to positive rather than negative factors (such as difficulties finding work).

Figure 3.5: Surveyed respondents’ reasons for wanting to start a business



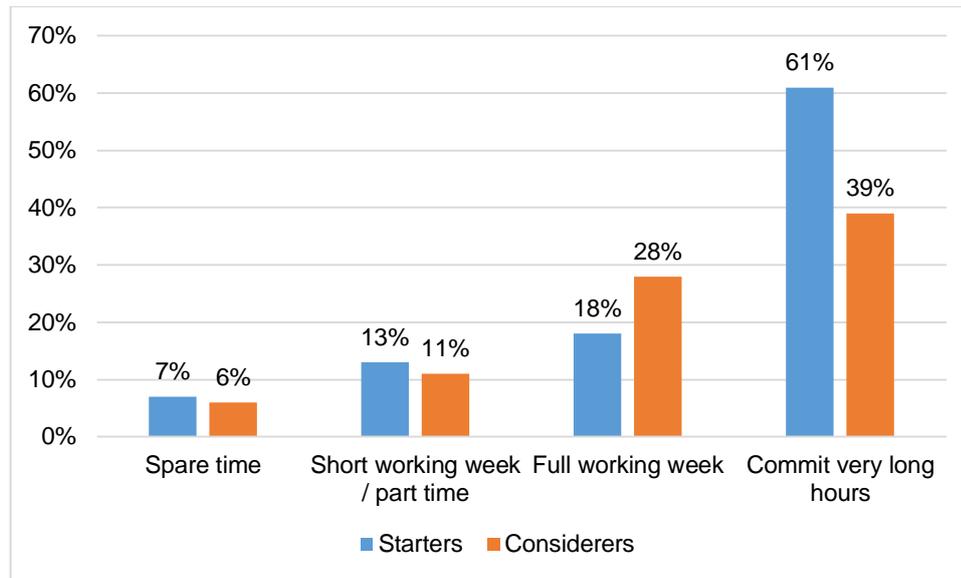
Source: OB3/Beaufort Survey (Base=153 respondents)

3.7 Attitudes and Aspirations

The majority of surveyed respondents who were running a business at the time of the survey (61 per cent or 79 of 129 respondents) committed very long hours to their business and these were more likely to be men, non-Welsh Government sourced and from the 25-30 aged cohort. As shown in Figure 3.6, surveyed respondents who committed very few hours to their business formed a relatively small proportion of the overall sample and these were more likely to be from the 16 to 21 age cohort and Welsh Government sourced. Surveyed respondents who were considering starting in business demonstrated similar attitudes although a much lower proportion intended to commit very long hours to their business.

² A further 8 per cent (11 respondents) either did not know or did not identify with either statements

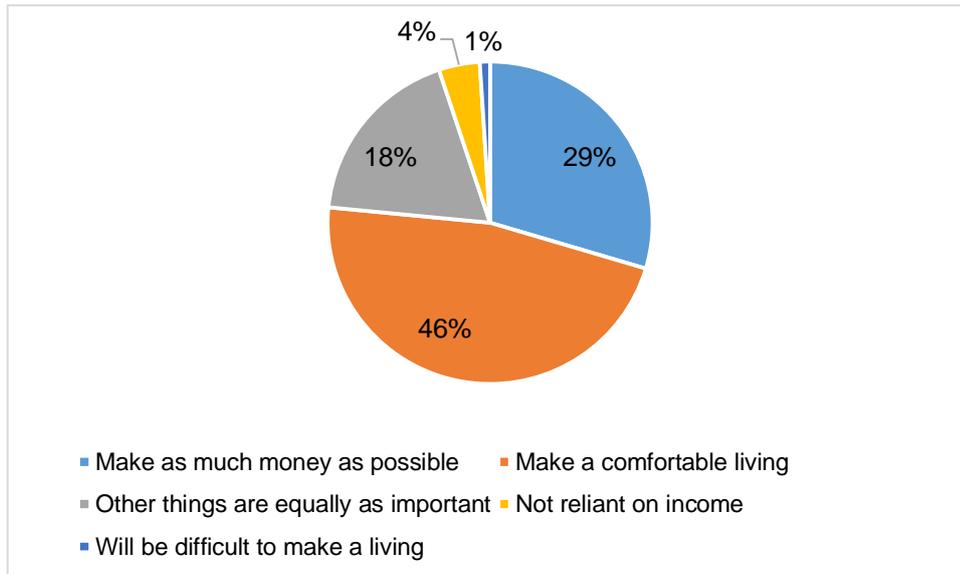
Figure 3.6: Surveyed respondents time commitment to their business



Source: OB3/Beaufort Survey (Base=129 starters and 18 considerers)

Surveyed respondents demonstrated a mixed financial outlook for their business as shown in Figure 3.7. Just under half of those surveyed (46 per cent or 67 respondents) intended to make a 'comfortable living' from their business whilst less than a third (29 per cent or 43 respondents) intended to make as much money as possible from their operation. Women and those aged 25 to 30 were the most ambitious in terms of wanting to make as much money as possible from their business.

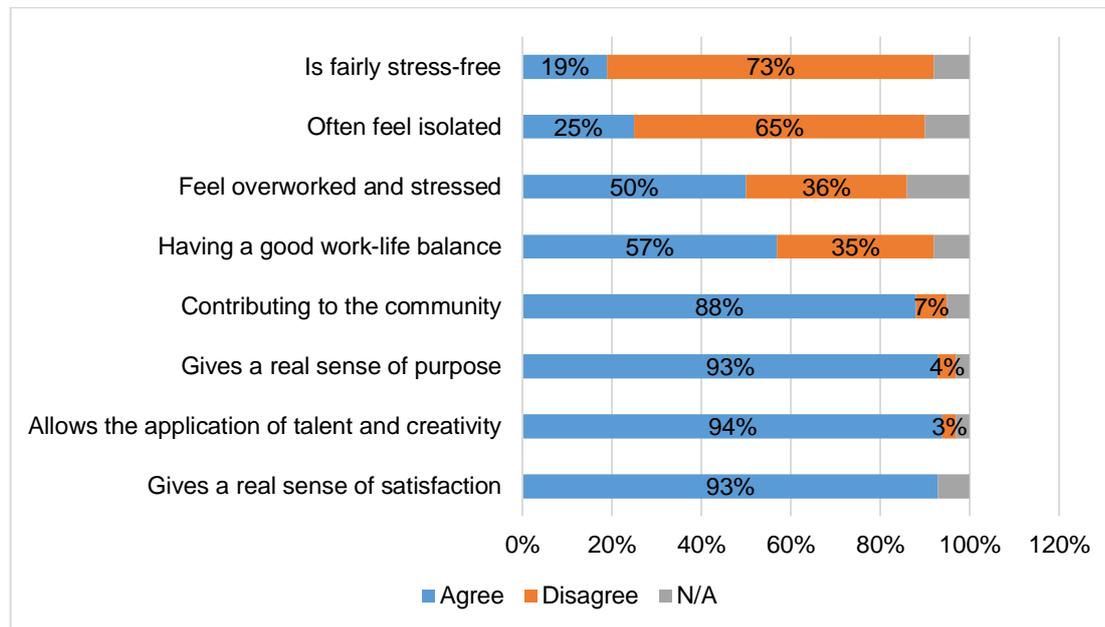
Figure 3.7: Surveyed respondents financial outlook for their business



Source: OB3/Beaufort Survey (Base=147 respondents who were running a business or considering starting a business within the last 12 months)

In terms of the advantages and disadvantages of running a business, Figure 3.8 suggests that the vast majority of those surveyed regard self-employment in a positive light in that it provides an opportunity for them to achieve a sense of satisfaction, to apply their talent and creativity and provides them with a real sense of purpose. A more mixed view was conveyed as to whether running a business provided a good work-life balance, with just over half (57 per cent or 70 respondents) taking this view.

Figure 3.8: Surveyed respondents' views on the advantages and disadvantages of running a business



Source: OB3/Beaufort Survey (Base=122 trading respondents)

Surveyed respondents identified a wide range of aspects which they enjoyed about running their own business, with the most commonly cited being:

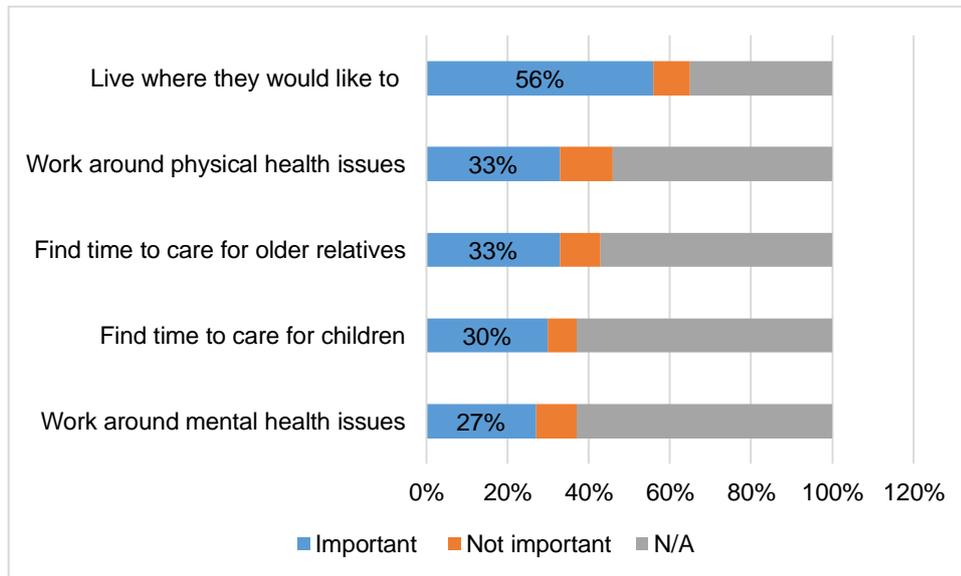
- Having the freedom to make own decisions and do what they want
- Being their own boss
- Flexibility in terms of working hours and work-life balance
- Making customers happy and satisfied
- Ability to be creative
- Meeting people and customers
- Not having to answer to anyone else.

Furthermore, the overwhelming majority (92 per cent or 135 of 147 respondents) agreed that they felt more satisfied in their working life compared to working for somebody else.

Figure 3.9 shows how surveyed respondents regarded the importance of being self-employed compared to working for somebody else in terms of enabling them to find time to see to other commitments. Other than enabling them to live where they wished to live, only around a third of those surveyed attached any importance to other commitments such as caring for children or older

relatives. This is likely to be a reflection of the fact that those surveyed were all young people with fewer wider family commitments in their lives.

Figure 3.9: Surveyed respondents’ views on self-employment as an enabler to other commitments



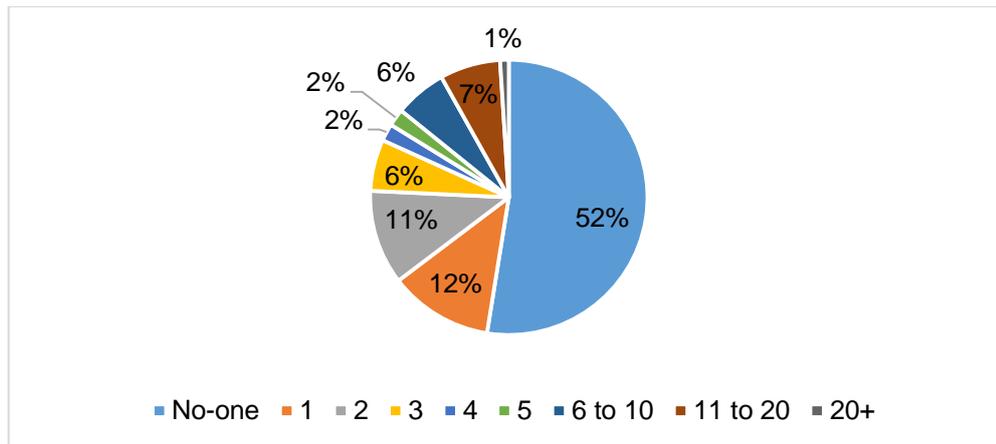
Source: OB3/Beaufort Survey (Base=147 who were running a business or considering starting a business within the last 12 months)

3.8 Business Profile

Just over half of those who were trading at the time of being surveyed (52 per cent or 63 of 122 respondents) were sole traders and did not employ anybody else. Respondents sourced via the Welsh Government were more likely to be sole traders (71 per cent or 36 respondents) as were women and younger respondents aged between 16 and 21 years old.

The remaining 48 per cent (59 respondents) did employ staff with 12 per cent (15 respondents) employing one other employee. Figure 3.10 illustrates the proportion of respondents employing staff – those who employed staff were more likely to be non-Welsh Government sourced, male and from the older cohort aged 25 to 30.

Figure 3.10: Number of people employed by surveyed respondents who were trading



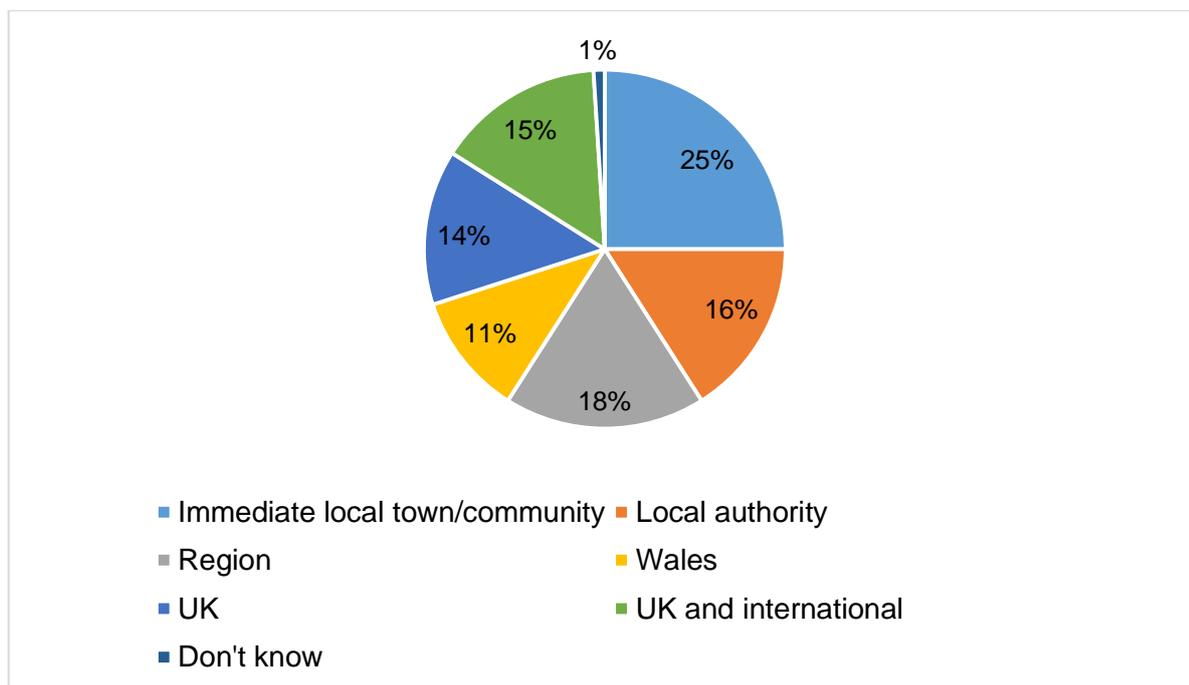
Source: OB3/Beaufort Survey (Base=122 who were trading at the time of survey)

The majority (80 per cent or 97 respondents) of those trading at the time of being surveyed considered their business to be their main source of income. Of those who did not consider their business to be their main source of income³ (23 respondents), three-quarters of them (74 per cent or 17 respondents) were employed in another job.

Figure 3.11 shows that surveyed respondents considered that their business served or will serve a cross-section of markets. Women were most likely to state that their business served their immediate local area or local authority whilst younger respondents aged 16 to 21 were most likely to state that they served or will serve both UK and international markets.

³ Two did not know

Figure 3.11: Markets mostly served by businesses run by surveyed respondents



Source: OB3/Beaufort Survey (Base=147) Proportion of respondents currently running a business or considered starting a business in last 12 months

During the year prior to running their own business, surveyed respondents who were currently running a trading business had primarily either been employed on a full-time basis (52 per cent or 63 respondents) or studying at university (19 per cent or 23 respondents). Welsh Government sourced respondents, women and the younger cohort aged 16 to 21 were more likely to have been studying at a university. Non-Welsh Government sourced respondents, the older cohort aged 25 to 30 and men were more likely to have been employed on a full-time basis prior to starting up in business.

Of those who were not trading or were considering starting a business during the last year, the large minority (40 per cent or 10 of the 25 respondents) were employed on a full-time basis at the time of being surveyed.

3.9 Concerns about starting up in business

The biggest concerns about starting up in business amongst surveyed respondents were financial in nature i.e. being able to earn a wage or making a financial loss, as shown in Figure 3.12. Older cohorts were more likely to cite these concerns, probably due to the fact that they already had financial commitments such as mortgages or family commitments in place.

Figure 3.12: Surveyed respondents' concerns about starting up in business

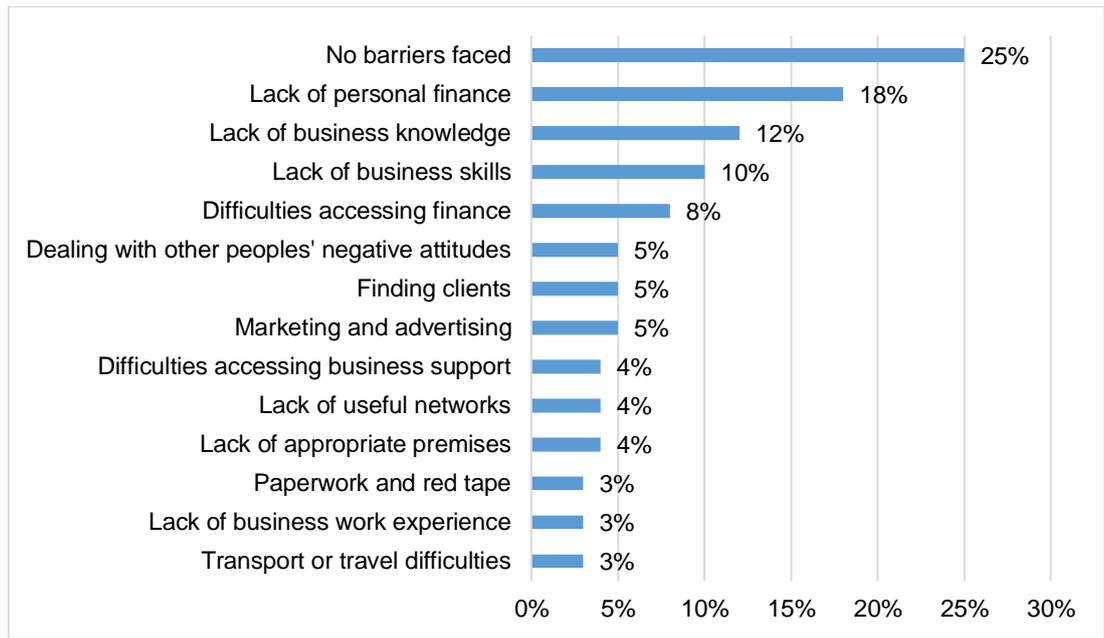


Source: OB3/Beaufort Survey (Base=153 respondents)

A quarter of those surveyed (25 per cent or 39 respondents) took the view that they had not faced any particular barrier when starting up in business and these were more likely to be non-Welsh Government sourced respondents (at 32 per cent or 25 respondents).

The most commonly cited barrier to starting up in business was the lack of personal finance to invest in the business (at 18 per cent or 28 respondents) followed by the lack of business knowledge (at 12 per cent or 18 respondents), as illustrated in Figure 3.13.

Figure 3.13: Barriers faced by surveyed respondents when starting up in business

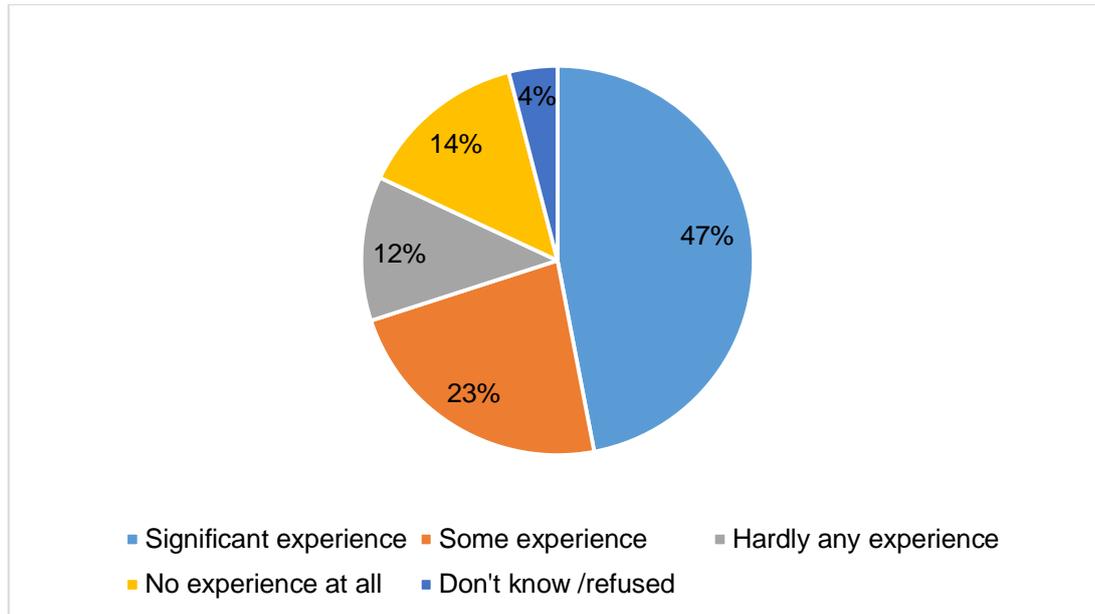


Source: OB3/Beaufort Survey (Base=153 respondents)

Overall, three quarters (75 per cent or 114 respondents) felt that they had been well prepared to start and run a business whilst most of the remaining respondents (23 per cent or 35 respondents) did not think that was the case. Women were most likely to state that they had been ‘very well’ prepared whilst the younger cohort aged 16 to 21 were the least prepared.

Surveyed respondents had varying amounts of relevant work experience prior to starting in business, as shown in Figure 3.14, with just under half of those surveyed (47 per cent or 72 respondents) of the opinion that they had ‘significant experience’. These were more likely to be non-Welsh Government sourced respondents and the older cohort aged 25 to 30.

Figure 3.14: Relevant work experience gained prior to starting in business



Source: OB3/Beaufort Survey (Base=153 respondents)

3.10 Business Finance

Just under two-thirds of those surveyed had (or expected) to finance their business start-up via their own savings (64 per cent or 98 respondents) and these were more likely to be the younger cohort aged 16 to 21, suggesting that this group possibly had lower start-up costs.

A quarter of those surveyed (25 per cent or 39 respondents) had received (or expected to receive) investment from friends and/or family and women were more likely to fall into this group.

Less than a fifth (18 per cent or 27 respondents) had accessed a business grant and only 11 per cent (17 respondents) had accessed a bank loan or overdraft. Welsh Government sourced respondents were the most likely to have accessed a business grant (at 23 per cent).

Alternative sources of funding such as crowd-funding was only identified by one respondent (who was considering starting up in business).

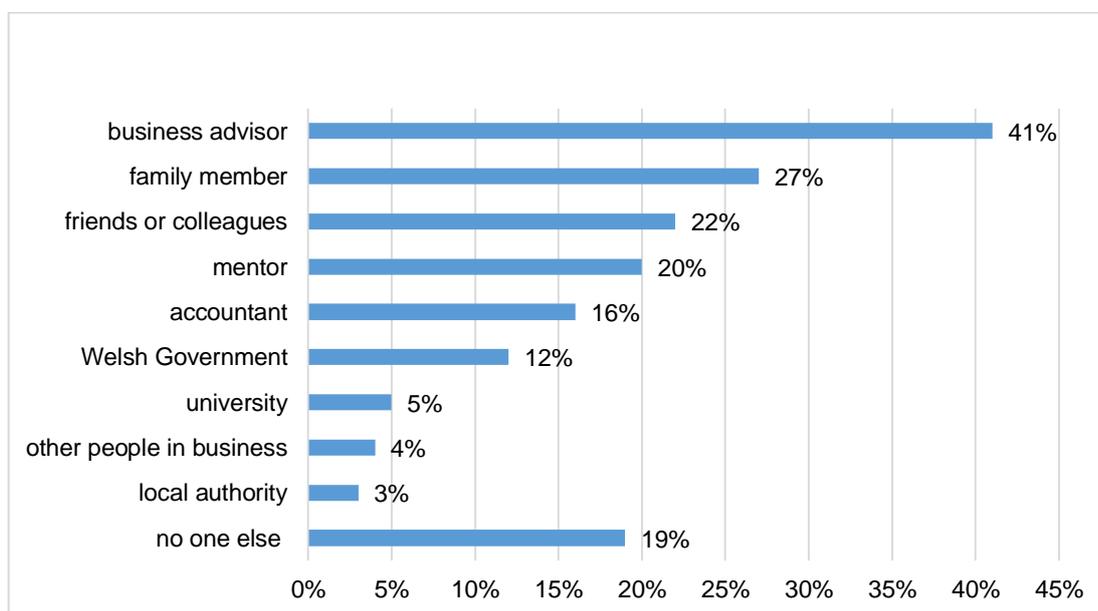
3.11 Access to support

Surveyed respondents had accessed support or advice from a fairly wide range of possible sources, with business advisors, family members and friends or colleagues most commonly cited, as illustrated in Figure 3.15. Just under a fifth (19 per cent or 29 respondents) had not accessed support from anybody else and these were more likely to be non-Welsh Government sourced and men. Of

those who were not trading at the time of the survey, exactly half (9 of the 18 respondents) were receiving support from a business advisor and eight were getting support from a mentor. Six of these ‘considerers’ were also in receipt of support from Welsh Government initiatives (such as Business Wales or Big Ideas Wales).

Surveyed respondents who had received support from a business advisor or mentor had commonly come to hear about this support via their own research, followed by having been referred by another organisation and hearing about the support from friends or family.

Figure 3.15: Support accessed by surveyed respondents when starting up in business



Source: OB3/Beaufort Survey (Base=153 respondents)

By and large, the support and advice which surveyed respondents had accessed was thought to have met their needs (91 per cent or 113 respondents) whilst only six per cent (seven respondents) took the view that it had not done so.

Surveyed respondents expressed their preference for being kept informed of any business support which may be available to them via the following methods:

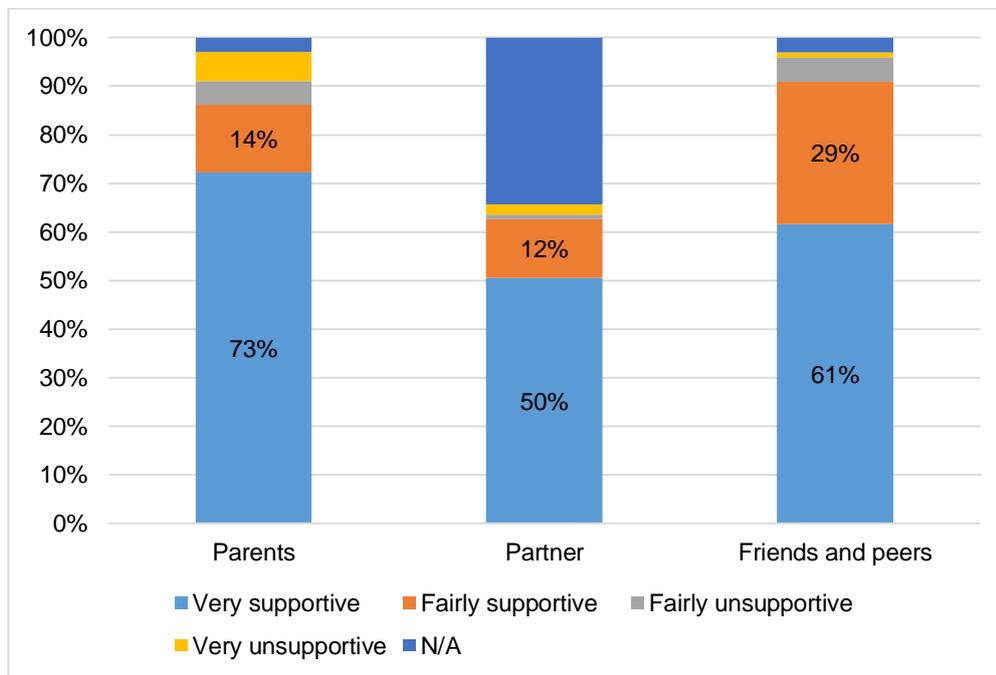
- By email (75 per cent or 115 respondents)
- By social media updates (27 per cent or 41 respondents)
- Local workshop or event (24 per cent or 36 respondents)
- Via a dedicated business advisor (22 per cent or 33 respondents)
- Via a network of entrepreneurs (20 per cent or 30 respondents)

- Via web based information (19 per cent or 29 respondents).

3.12 Influencers and response from other people

In the main it would appear that the large majority of parents, partners, friends and peers have been supportive of surveyed respondents' decision to start up in business, as illustrated in Figure 3.16. Women were more likely than men to state that their parents (at 82 per cent compared with 69 per cent) and friends/peers were very supportive (at 69 per cent compared with 57 per cent).

Figure 3.16: Response from other people to surveyed respondents' decision to start in business



Source: OB3/Beaufort Survey (Base=153 respondents)

Some 59 per cent (or 90 respondents) were of the opinion that a particular person had been a business inspiration to them whilst 39 per cent (60 respondents) did not think so. 'Considerers' as well as the those aged 16 to 24 were more likely to identify with a person who had been an inspiration to them.

The most commonly cited person who had been a business inspiration to surveyed respondents were:

- A local business person (39 per cent or 35 respondents)
- A member of their family (32 per cent or 29 respondents)

- A friend (19 per cent or 17 respondents)
- A celebrity business person (11 per cent or 10 respondents)
- A national or international business person (9 per cent or 8 respondents)
- A mentor or business advisor (7 per cent or 6 respondents)
- A teacher or leader within their education (6 per cent or 5 respondents)
- People on social media (6 per cent or 5 respondents).

Just under half of surveyed respondents (49 per cent or 75 respondents) thought that their own education had been either a significant or some influence upon their desire to start and run their own business. 'Considerers' and those aged 16 to 21 years old were most likely to state that their own education had had a significant influence in this respect.

Of those who thought that their own education had influenced their desire to start in business the key influences were considered to be (in order of importance):

- Subjects which they had studied were relevant to what they were now doing
- Exposure to enterprise, business skills and industry
- That education had given them their business idea
- That tutors, teachers and lecturers had been a positive influence.

3.13 Impact of rurality and urban settings

Some differences emerge when considering the profile of surveyed respondents based within an urban (110 respondents or 72 per cent) and rural (39 respondents or 28 per cent) area. In particular urban based respondents contained a slightly higher rate of starters than respondents based within rural setting.

Surveyed respondents based in urban area were more likely to:

- have been previously studying at a university
- rely on their business as a main source of income and work very long hours
- have faced financial related concerns and challenges during the start-up process and were generally more reliant on other investment sources, other than their own savings
- have accessed support from a wide range of sources including business advisors and mentors
- consider that they could have started their business over a shorter time period

- state that being self-employed was common for the sector within which they operate
- have been supported by friends and peers
- have started a business due to the lack of good quality, well-paid jobs available and difficulties sourcing a job previously
- feel overworked and stressed but yet thought that they had a good work-life balance.

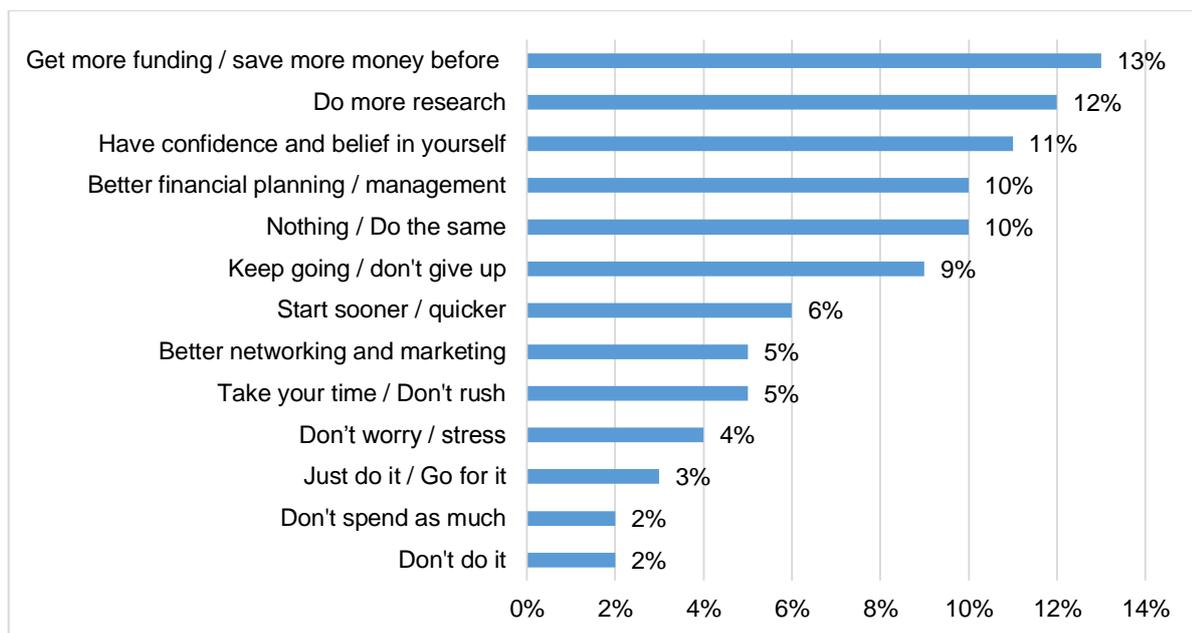
Those based in rural areas were more likely to:

- consider themselves to be 'running a business' and an 'entrepreneur' and generally driven by a desire to 'be their own boss'
- be concerned about earning a wage and sourcing clients during the start-up process
- think that being self-employed allows them to live where they would like to
- have started a business as a result of opportunistic factors and less likely to have started due to necessity
- have used their own savings when starting up and were therefore less concerned about start up investment costs
- have supportive parents
- spend less time working within their business
- consider that running a business had always been their ambition.

3.14 With hindsight

When asked if they had their time again what advice would they have given themselves, a range of practical suggestions were made, as set out in Figure 3.17, although some of the advice offered conflicted with each other e.g. start sooner vs. don't rush. The most commonly cited advice related to finance i.e. to secure access to greater levels of investment upfront be that via their own personal savings or other sources, and those aged 25 to 30 were most likely to offer this advice (at 17 per cent). The younger cohort aged 16 to 21 were the most likely to offer advice relating to having greater levels of confidence and belief in themselves (at 30 per cent).

Figure 3.17: Advice surveyed respondents would give themselves if they had their time again



Source:

OB3/Beaufort Survey (Base=135 respondents who had started a business within the last three years)

3.15 The future

Surveyed respondents were quite ambitious in their plans for their business over the coming few years, with over two-thirds (69 per cent or 101 respondents) wishing to grow the business as large as possible and take on (more) employees whilst 13 per cent (19 respondents) wanted to grow the business but without hiring employees⁴. Respondents from Welsh Government sources and men were the most ambitious in terms of wanting to grow the business and take on employees. A few (7 per cent or 11 respondents) stated that they wanted to start another business.

A minority of those surveyed wanted to focus on business survival (12 per cent or 17 respondents) and very few (no more than two respondents in each case) wanted to close the business or reduce the size of the business.

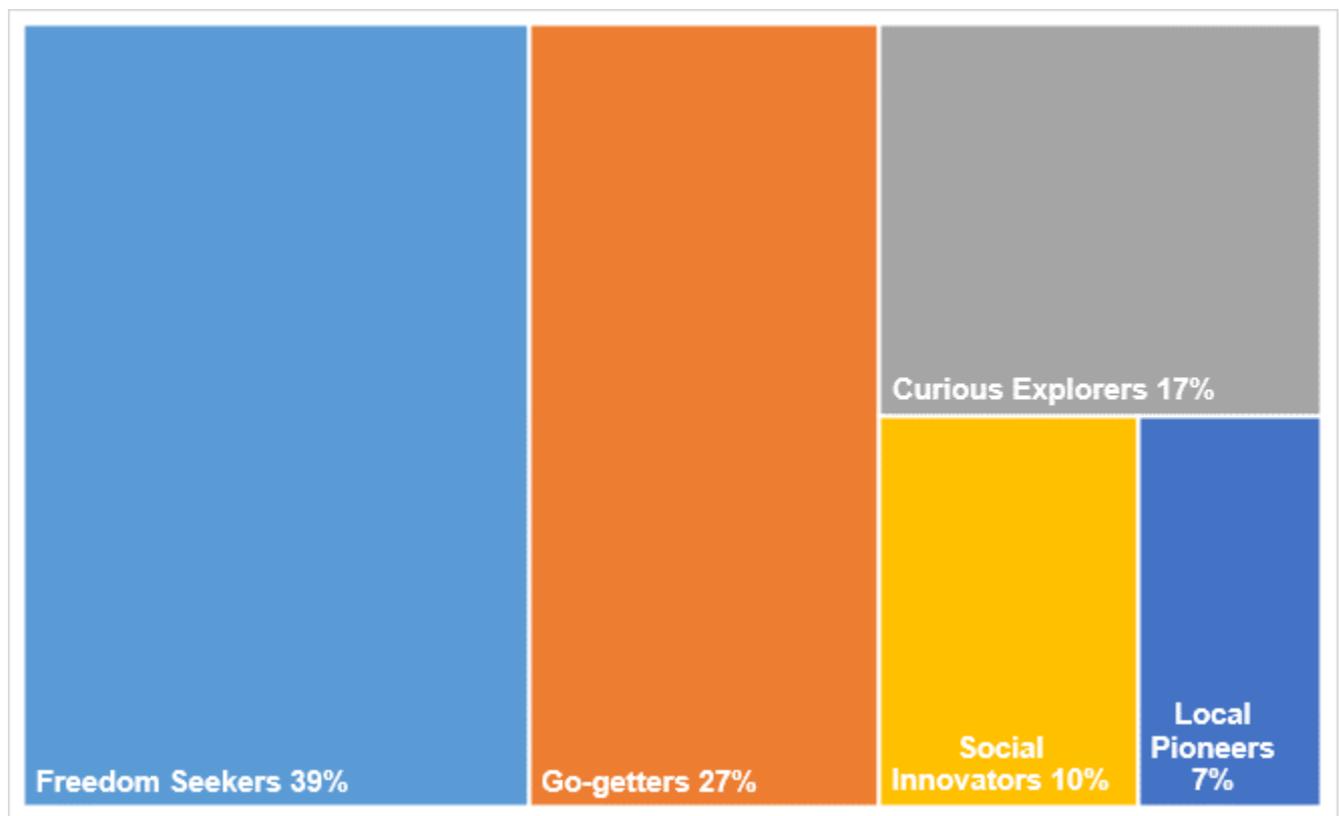
⁴ Respondents could select more than one option

4. Market Segments

4.1 An introduction

An attitudinal factor and cluster analysis was undertaken using selected questions from the survey on motivations and attitudes towards running a business (details can be found in Annex C). This has generated five key market segments, set out at Figure 4.1, which could be adopted by the Welsh Government to inform and differentiate its approach to future communication campaigns targeting young entrepreneurs.

Figure 4.1: Youth Entrepreneurship Market Segments



Source: OB3/Beaufort Survey (Base=153 respondents)

The attributes and characteristics of each group is set out in this section together with supporting case study examples. In all, case study interviews were undertaken with five Freedom Seekers, four Go-getters, three Curious Explorers, two Social Innovators and one Local Pioneer. Ten of these case studies have been used in an anonymised manner to illustrate each market segment in this section⁵.

⁵ The fifteen case study interviewees have all agreed to share their profiles with the Welsh Government.

4.2 Freedom Seekers

Key attribute: attracted to being their own boss and the freedom which this offers whilst wanting to make a comfortable living.

This group (at 39 per cent of those surveyed) forms the largest market segment and accounts for just over a third of the surveyed sample. In line with survey sample proportions, just under a third of Freedom Seekers are women (31 per cent) and two-thirds are men (69 per cent). Just over half (51 per cent) are aged 25 to 30, a third (36 per cent) are aged 22 to 24 and 14 per cent are aged 21 and under. They are the least likely of all market segments (at 19 per cent) to be based in a rural area. In all, 44 per cent had established a business within the last year whilst 46 per cent were running an established business. Three-quarters of Freedom Seekers (76 per cent) describe what they are doing as 'running a business' whilst over half (54 per cent) consider themselves to be 'self-employed'. Four-fifths (81 per cent) consider their business as their main source of income. A quarter (26 per cent) serve their immediate local town or community market whilst a further third (37 per cent) serve their local authority or region.

This market segment group is most likely to be actively running their business and trading (at 85 per cent) whilst most of the remaining considerers are actively taking steps to start up in business.

They are driven towards self-employment because they *perceive* a lack of suitable employment opportunities are available to them (at 54 per cent). Whilst they are the most likely to think that there is a lack of good quality, well-paid jobs available to them locally they have not necessarily faced personal difficulties in finding a job prior to establishing a business (only 20 per cent had faced difficulties getting a job). Indeed, this group is very likely (at 60 per cent) to have been employed on a full-time basis prior to starting in business.

In terms of the businesses that they run, Freedom Seekers are the most likely of all market segments to be employing somebody else (at 60 per cent whilst 40 per cent are sole traders). This group also contains the largest proportion of tradespeople (at 19 per cent) and those doing sub-contracting work (at 13 per cent). This group (at six per cent) is the least likely to be running businesses which operate internationally. A quarter (26 per cent) serve their immediate local town or community market whilst a further third (37 per cent) serve their local authority or region.

This group's main concern about starting up in business is earning a wage and is the most likely of all groups to cite this (at 34 per cent) as a concern. This group is also very concerned about making a financial loss (at 29 per cent). Relatively few (12 per cent) had no concerns about starting up in business. Freedom Seekers are the most likely of all groups to be driven by a desire to make a comfortable living from their business (at 70 per cent) but also are the most likely of all groups (at 28 per cent) to state that other things are equally as important as making money.

In terms of motivations to start up, Freedom Seekers are driven by the attraction of being their own boss (51 per cent) and the freedom that running a business could offer them (31 per cent). Just under a third (31 per cent) thought that the most accurate statement which described their decision to start in business was 'running a business was what they always wanted to do' whilst 27 per cent selected 'I spotted or was given an opportunity'. They are not particularly driven by an ambition to run a business and generally don't perceive themselves as entrepreneurs (54 per cent consider themselves an entrepreneur). They are the least likely to be motivated by a desire to be creative or to satisfy the needs of customers.

Similarly to Go-getters, they are less likely (at 22 per cent) to have had help from somebody else during the process of starting up. Overall, 39 per cent had accessed support from a business advisor and 19 per cent had accessed support from a mentor. Interestingly, this group (at 29 per cent) is the most likely to think that they could have reduced the overall length of time it took for them to start the business and thought that appropriate support could have helped them in this respect.

This group is the most likely (at 42 per cent) to think that education has had no influence upon their desire to start and run their own business although in cases where it had done so, Freedom Seekers are the most likely to identify exposure to enterprise, business skills and industry as having been important in this respect.

Freedom Seekers commit a significant amount of time to their business (76 per cent commit or plan to commit very long hours to their business) and are the least likely of all market segments (at 87 per cent) to feel satisfied with their working life. They are also the most likely (at 49 per cent) to take the view that they do not have a good work life balance.

Whilst generally reluctant to take on more employees in the future they are not averse to growing their business. Overall, 65 per cent plan to grow their business and take on (more employees) whilst 19 per cent intend to grow their business but without taking on employees.

Freedom Seeker KA established a business in partnership with a friend some three years ago providing digital solutions such as branding, websites and apps to start-up companies and existing SMEs. The business started trading from home but now operates from a specific innovation start-up facility.

Freedom Seeker KA has very relevant experience in this area, having completed a degree in Product Design (which included studying modules on business) and spent a period as a self-employed freelance designer after completing his Masters degree. He recognised however that he needed to gain more relevant experience with a larger design agency so as to gain experience of working on larger-scale projects. Within his employed position, Freedom Seeker KA felt restricted in terms of being able to apply his creative expertise and so took the decision to return to self-employment in order 'to do things my own way' and operate within a more creative and flexible environment.

In addition to both directors, the business now employs two full-time and one part-time employee. They also intend on expanding the business further in the near future.

Freedom Seeker KA, together with his current business partner and another friend, had been considering setting up their own business for quite some time. Indeed, the three individuals combined full-time employment with their creative work for some six to nine months before two of them took the plunge to commit to it on a full-time basis. They were both concerned about securing an adequate wage from the new venture and had to accept a lower income initially – indeed they have only recently been able to match their original employed salary levels.

Freedom Seeker KA has always wanted to run his own business and was brought up within a family where one of his parents had run businesses for most of his life. He enjoys the flexibility involved with running his own business and commits very long hours to the operation – indeed he had not taken any period of leave from the business during its first three years of trading.

Unlike the general profile of Freedom Seekers, the business has been able to benefit from operating within a specific start-up incubator facility where the directors have been able to access appropriate mentoring support. Up until this point the focus of the operation had been on securing a 'decent wage' but the transition into a purpose-built studio resulted in a step change in terms of the directors' attitudes and business ambitions with a much greater focus being on business growth as

a result.

Freedom Seeker LR established his own business some two years ago at the age of 21 providing a self-service garage for clients to use themselves to repair their own cars and motorbikes. The business employs qualified mechanics who are on hand to advise clients as required.

After finishing college, Freedom Seeker LR worked as an IT engineer earning a good salary but decided that after three years of being in employment he would rather do something else. After working for his father's business for a year he identified a new business opportunity and set out to acquire a modest unit to start out. By now the business has moved into a larger unit and has one freelance mechanic, one employed member of staff and one apprentice in addition to the business owner.

It took some two years for Freedom Seeker LR to set up his business and despite accessing support from a Business Wales adviser, he struggled to get his advisor, bank and insurance companies to grasp his innovative business idea and to take him seriously because of his young age. He persisted however and was allocated another business adviser who was more understanding of his business concept. The process of securing finance took much longer than anticipated although in the end Freedom Seeker LR secured the necessary funding to enable him to purchase the equipment and take on the lease for a trading unit.

During the process of establishing the business, Freedom Seeker LR was most concerned about funding the start-up costs and meeting the overhead costs associated with running the business, particularly the high business rates in place. He also faced difficulties finding the right employees and reflected that he had made some inappropriate appointments over the two-year period of running the business.

Freedom Seeker LR has been exposed to business throughout his life, with his father and grandparents having all ran their own businesses. Whilst he was earning a decent salary in a full time post he was not satisfied 'busting a gut to make money for someone else' and wanted to make his mark by being the first person in Wales to 'do something new'. He feels much more satisfied being his own boss although does not enjoy the administrative aspects of the work.

Freedom Seeker LR commits exceptionally long hours to the business, working over 80 hours per week, seven days per week but hopes that with time and greater stability he will be able to reduce this commitment. He has plans to expand the business into other local authority areas.

Freedom Seeker SW launched his business in March 2015 when he was 24 years old and is on the verge of completing his third season of running a restaurant at a large 5 star caravan park in a rural area in north Wales.

In terms of his background, Freedom Seeker SW was working as a chef in a well-respected hotel during which time he gained an opportunity to spend time at Michelin starred restaurants and secure a foundation degree qualification in management. Whilst in his eighth year at the hotel, the owners of the caravan park approached him to enquire whether he might be interested in taking over the restaurant on a lease basis. He expressed an interest in doing so and underwent a formal interview process to secure the lease. The owners re-furnished the restaurant to a very high specification and Freedom Seeker SW used his own savings to purchase specific items for the business. He left his employment in January with a view to opening in March 2015 but on reflection recognised that he had underestimated the amount of preparatory work required to start a new catering business in terms of re-designing the kitchen, preparing menus, hiring staff, preparing budgets and meeting health and safety requirements. In the event, an opening event was arranged for March but the restaurant was only officially launched in June of that year.

Freedom Seeker SW commits very long hours to the business (in excess of 70 hours per week). He did not access any start up support other than from immediate family, friends, caravan park owners and those who were in a similar sector to him.

His journey to setting up in business was a natural progression given his family's experience in enterprise as his father and both grandfathers ran successful businesses.

He is driven by purpose rather than profit, his goal being to establish a successful restaurant that makes diners happy, to be fulfilled creatively as a chef and as an employer and to have the freedom to make his own decisions. Whilst he previously had a very good job at a well-respected hotel and was second in command to the chef, he recognised that he could not progress further at

that establishment and had begun to feel 'stuck' within his role. Since having taken on the opportunity, Freedom Seeker SW feels happier, more fulfilled and is financially better off.

Freedom Seeker AE has baked cakes as a hobby since a very young age and, after receiving very positive responses to photos of her creations posted on her facebook page, considered establishing a cake making business after finishing her school education and GCSE exams. She wanted to ensure that she had the right skills and proficiency in place first however, and therefore undertook a Level 2 Professional Cookery course followed by a Level 3 Patisserie course at her local further education college.

During her time at college, Freedom Seeker AE mentioned her business idea to her catering lecturer who signposted her to the TAFFLAB⁶ scheme. She secured a £1,000 grant from this scheme and received support from a dedicated mentor. She also got involved with the Big Ideas Wales bootcamp and found the experience to be very positive. She considers her experience at school and college to have been supportive of her ideas: 'I received a lot of encouragement at the college'.

Since completing her college courses, Freedom Seeker AE worked initially on a part-time basis before securing a full-time position with the objective of obtaining experience in professional kitchens. She continues to bake cakes in her spare time and has a website in place to promote her products but is anxious to get more industry experience and finance in place prior to starting the business on a more formal basis. Her intention is to run a mobile business, working from home.

Freedom Seeker AE's journey into self-employment could be described as being somewhat unplanned. She is driven by the appeal of being her own boss and thinks that a flexible occupation would suit her. Whilst earning enough money to have a nice lifestyle is an aspiration, Freedom Seeker AE considers herself to be quite competitive and that success, rather than money, is her main driver.

Her main barrier to being able to commit fully to the business venture is financial in that she would prefer to be able to finance her business from her own savings. Her main advice to herself on

⁶ <https://www.thersa.org/action-and-research/fellowship-projects/fellowship/taff-lab>

starting again would be to be more outgoing and establish networks which would benefit her business in the long term.

4.3 Go-getters

Key attribute: confident and ambitious entrepreneurs driven by a desire to make money but who could be better prepared for running a business.

Go-getters form around a quarter of the surveyed sample (27 per cent) and are the second largest market segment. These are ambitious entrepreneurs and are driven by a desire to make money, with 90 per cent wanting to 'make as much money as possible' from their venture. Two-fifths (39 per cent) are women and three-fifths (61 per cent) are men. In terms of age, 51 per cent are aged 25 to 30, 24 per cent aged 22 to 24 and 24 per cent aged 21 and under: compared to other market segments, they are more likely to be aged 25 to 30. A third will have studied at college (11 per cent) or university (24 per cent) prior to starting in business, although a large minority of Go-getters (43 per cent) will have been previously employed on a full-time basis. They are more likely to have been sourced via non-Welsh Government data sources (at 30 per cent). Three quarters (78 per cent) described what they were doing as 'running a business' whilst 43 per cent considered themselves to be 'self-employed'.

They are the most likely to have always considered themselves to be an entrepreneur (at 76 per cent), with 39 per cent of the view that the statement 'I always knew that's what I wanted to do' best reflected their decision to start in business. In contrast with this however, they are also the group most likely to state that they started their business out of necessity (at 24 per cent). They are likely to cite that 'being their own boss' was a reason for starting their own business (at 56 per cent) and less likely than average at 22 per cent to have done so in order to secure 'more freedom'.

They are the most confident of all groups, with a quarter (24 per cent) claiming to have had no concerns at all about starting up. Go-getters are very likely to have started (rather than considered starting) their business and 95 per cent were trading at the time of survey. They are the most likely to operate businesses which serve wider markets, often across the UK and internationally- only a fifth (20 per cent) serve their immediate local town or community market, a further 26 per cent serve their local authority or region whilst 23 per cent serve international markets. They are also more

likely to have been running a business for a longer period of time. Of those who had traded or were trading at the time of survey, 58 per cent were running a business for more than one year.

The main barriers which Go-getters face when establishing their business are the lack of personal finance to invest in the business (at 22 per cent) and the lack of business knowledge (at 20 per cent). They consider themselves to be the least prepared (at 68 per cent) in terms of starting and running a business: indeed, better knowledge and experience could have helped some start their business over a shorter duration as would have support on aspects of financing and funding their enterprise. This group is more likely to state (at 13 per cent) that their advice to themselves, if they had their time again, would be to undertake more research.

They are more likely than average to expect to finance their business start-up via their own savings (at 66 per cent) and investment from friends and family (at 34 per cent). Whilst a fifth (22 per cent) do not access any other type of support of those that had, they are more likely than average to access support from a business advisor (49 per cent) as well as an accountant (at 20 per cent).

They are (together with the Curious Explorers) the least likely at 85 per cent to have parents who are supportive of their decision to start up in business yet are the most likely at 44 per cent to state that a member of their family has been a business inspiration to them. Education has played some role within this group's desire to start and run their own business: where this has been the case Go-getters point to the subjects which they've studied as being of relevance to what they are doing now.

Around half of this group who are trading (51 per cent) don't employ anybody else and a similar proportion (53 per cent) commit very long hours to their business. A quarter (25 per cent) of this group commits to their business within a full working week.

In line with survey average, four in five Go-getters (81 per cent) are reliant upon their business as a main source of income.

This group are the most likely to feel overworked and stressed (at 59 per cent) and isolated (at 32 per cent) but are also the most likely to apply their talent and creativity (at 100 per cent), and gain a real sense of satisfaction and purpose from running their own business (at 70 per cent). They are also the most likely to consider that they have a good work-life balance (at 70 per cent). They are the most inclined to feel more satisfied working for themselves than for others (at 98 per cent). They are also

the most likely to consider that being self-employed helps them work around their own mental health issues (at 33 per cent) and childcare responsibilities (at 43 per cent).

Go-getters are the most ambitious of the market segment groups with four-fifths (80 per cent) intending to grow their business as large as possible and take on (more) employees. A further 13 per cent intend to grow the business without taking on employees.

Go-getter RQ runs a business which produces handmade teddies, cushions and blankets that are often one-off custom-made to the specifications of the customer. She sells her products through the online-shop, Etsy and has been a registered sole trader since April 2017. Go-getter RQ is home-based and although she does take a paid salary from the business, this does not currently equate to a living wage. Indeed, she is considering taking on part-time work in order to supplement her business income at present.

Her journey to starting up in business began when she developed an interest in sewing at home as a child. Whilst in sixth form, she posted a picture of a teddy bear she had made on-line. This generated some interest which led Go-getter RQ to first consider the idea of whether she would be able to make a living from sewing. This largely led to her enrolling on to a Product Design Degree course to further her skills in electronics, jewellery making, sewing, product design and manufacture. She gained a 2:i degree and won a prestigious award for the most viable product in her final year – a set of products including a teddy bear, blanket, cushion and headboard cover. The degree also gave her the opportunity to study the theory of business and the practice through work placements. After leaving university, she undertook some market research by selling her products at a student market at the same university and was able to identify what sold well and what was an appropriate price point for her products. She made £500 selling only half the products. This was the catalyst to setting up and registering as a sole trader in April 2017 and make use of the Etsy shopping page she'd set up earlier. She has since participated in the Big Ideas Wales bootcamp.

The business gives her a flexibility that supports her lifestyle; she will work when the orders are there, but she can also take time off with her family and friends and have time to fulfil other ambitions. She enjoys making decisions on her own about design, cost and profit margins. The business also has the flexibility that it can be based anywhere in the world.

Go-getter RQ has been motivated by the fact she spotted an opportunity to do something which she loves. It is important for her that she can create quality products at a price that people can afford whilst allowing herself to earn a sustainable income.

In terms of future aspirations Go-Getter RQ is ambitious. She would like a dedicated work space, possibly a purpose built workshop and have help to create the products. Long-term she would like a shop space that would allow for a workshop at the back, so people can see her work.

Go-getter FK is the founder of a business which supplies silicones, resins, foams, chemicals and other materials used in the creation of props for the creative industries. Trained as a Prop Maker at RADA, Go-getter FK developed an extensive knowledge of these materials and identified a gap in the market: the companies which operated within this market did not have easy buying processes, had very little online presence and had no presence in Wales.

She has solid prior experience in the sector within which she operates, having spent two years working as a freelancer in the creative industries in London. She has also undertaken a Masters course in the sector. On her return to live in Wales Go-getter FK identified a clear gap in the market and set about sourcing an appropriate serviced unit and took up tenancy in May 2017. The operation relies on web based sales to hobbyists as well as media based business to business trade.

The company currently has two directors, one of which is FK's mother who supports the business on administrative aspects. Indeed, the role played by both of her parents was identified as critical as both have run businesses throughout their lives and are able to offer advice and support as required.

Her motivation to start in business has largely stemmed from an identification of a gap in the market – some of the other companies operating in the sector, who have been around for decades, appear to have become complacent in their approach to customer service: 'It's very rare that you can spot an opportunity like this, where you have the skills and experience to 'do it better'. Whilst the start-up phase was relatively quick (the business was registered as a limited company in March and began trading in July of the same year) the business concept has been in the making for some

two years in all.

Go-getter FK has been supported by Big Ideas Wales and has attended a business bootcamp. She has been able to access a £1000 grant via the bootcamp which proved invaluable during the set-up phase.

Another key motivator behind Go-getter FK's decision to set up the business was a desire to establish an operation which would offer her a career with the right work-life balance. She has a disability that can limit the amount of time she can work and running her own business has provided an alternative to working as a freelancer in the industry. Go-getter FK has never considered herself as someone who would work for anyone else: 'I'm one of those people who doesn't mind working really hard, as long as you can see the benefits coming from it'.

In terms of future aspirations, Go-getter FK has set herself a five-year target to make the business the leading supplier in the UK and Europe and hopes to be able to take on employees to achieve this objective.

4.4 Curious Explorers

Key attribute: individuals who are 'dabbling' in business due to the freedom it offers and the opportunity that it provides to apply their creativity, often in their spare time without being reliant on the income it generates.

The third market segment, Curious Explorers, form a sixth of the surveyed sample (17 per cent). Curious Explorers are much more likely to be men (at 81 per cent) and also more likely to be from younger cohorts. In terms of their age profile, 38 per cent were aged 21 and under, a further 38 per cent were aged 22 to 24 and 23 per cent were aged 25 and over. They are also more likely (at 46 per cent) to be based in or close to a city or in a fairly rural area (31 per cent) than any other market segment group and contain a higher proportion of respondents whose activities are limited because of health or impairments (at eight per cent). This group is well educated with 58 per cent educated to degree level or higher. They are also more likely (at 23 per cent) to have been sourced from Welsh Government data sources. Curious Explorers serve very polarised markets - whilst 23 per cent serve their immediate local town or community a further 23 per cent serve both UK and international markets.

In terms of the journey to starting in business, Curious Explorers are the most likely of all market segment groups to be 'considerers' and the least likely to have started their business: over a quarter (27 per cent) are considerers whilst three-quarters (73 per cent) are starters. Furthermore, considerers from within this market segment group are more likely to be involved in the early stages of the journey and engaged in activities such as research, planning and testing their business idea as opposed to actively planning to start up.

Around a third of Curious Explorers (31 per cent) consider what they do to be 'making money from a hobby' although it's worth noting that over half of them (58 per cent) do consider themselves to be 'running a business'. They are the least likely of all groups to consider themselves to be an entrepreneur (at 54 per cent).

Curious Explorers are overwhelmingly the most likely of all market segments to consider their business as something they either do in their spare time (27 per cent) or during a short working week (38 per cent). They are the least likely of all groups to be employing somebody else (80 per cent don't employ anybody else and in those cases where they do, only one additional employee is employed in each case).

In terms of motivations to start in business, they are overwhelmingly driven to start a business by a desire to have more freedom (at 58 per cent compared with 29 per cent for all surveyed) and being able to be their 'own boss' (at 54 per cent) is also a very important consideration for this group. They are the most likely market segment at 15 per cent to state that they want to 'do something interesting with their spare time'. Generally, they believe that running a business allows them to apply their talent and creativity and provides them with a real sense of satisfaction and purpose (100 per cent agreed that running a business gives them an opportunity to apply their talent and creativity as well as achieve a real sense of purpose and satisfaction). Curious Explorers are the least likely of all market segment groups to think that they've started in business due to any difficulties faced in getting a job (27 per cent) or the lack of good quality well-paid jobs available (at 42 per cent).

Curious Explorers are the least likely of all groups to consider their business as their main source of income (with 73 per cent of the group taking this view compared with the sample average of 80 per cent) and in all of these cases they are reliant upon another employed job for their income. Making a comfortable living from their enterprise is their main priority with 58 per cent taking this view. They are the most likely to state that their decision to start a business was driven by the fact that they enjoy working on a hobby and/or wanted to work part time: 23 per cent of this group selected this statement

as one which best reflected their main decision to start in business. Curious Explorers are also the most likely of the market segment groups to consider self-employment as common practice within the sector within which they operate (77 per cent).

Whilst just under half of this group who were running a business were employed on a full-time basis prior to running their own business (at 47 per cent) they are the most likely of all market segments to have been studying at university prior to running their business (27 per cent).

Curious Explorers are the most likely of all market segments to be concerned about making a financial loss from their venture and this is by far the most cited concern amongst this group (at 31 per cent).

Curious Explorers are the least likely of all market segments to state that they have 'significant' relevant work experience prior to starting in business (at 23 per cent) although are the most likely to state that they have 'some' relevant experience (at 42 per cent). They are also the least likely of all market segments to consider that they have supportive parents (81 per cent), partners (46 per cent) or friends/peers (85 per cent) and as such are the least likely to identify these as having been a business inspiration to them.

Generally, Curious Explorers don't consider themselves to be overworked or stressed (only 33 per cent of those trading thought this to be the case) and are the least likely to consider themselves to be isolated (at 13 per cent of those who were trading). Indeed, they are the most likely at 46 per cent to consider self-employment as an opportunity which offers them time and flexibility to care for older relatives.

In terms of future aspirations, Curious Explorers are not particularly ambitious in their outlook and are the least likely to want to grow their business as large as possible and take on employees. Despite this, 58 per cent want to grow their business as large as possible and take on (more) employees whilst a further 12 per cent want to grow their business but without hiring any employees.

Curious Explorer SD established his own sports massage and kinesiology business in 2016 during his last year of study on a Sports Science coaching and performance Degree course. He initially ran the business on a part-time basis whilst completing his studies and recently graduated in May 2017. The business operates from a newly renovated room at his parents' home and via an

occasionally leased room at a local football ground premises.

Curious Explorer SD is in the process of making the transition from running the business along-side his degree to growing his client base. He currently has very low overhead costs and so is already turning a profit, albeit that the income secured to date does not equate to an acceptable living wage.

Starting up in business has been quite challenging due to Curious Explorer SD having no previous business background, although he has been able to draw upon parental advice and support. He has also been supported by the entrepreneurship champion at college whilst studying for his degree and has gained some direct hands-on work experience within the sector. He has invested in the start-up costs using his own funds although recognises that the start-up costs have been fairly modest to date.

Starting small has been the objective but it is his intention to secure his own premises in the future once the business is better established. However, the scale of funding required to expand into any leased premises will be an obstacle for business growth.

He has recently secured two awards by Big Ideas Wales at their annual 2017 event and has also accessed Business Wales start-up courses.

Curious Explorer SD has been considering going into business for some four years in all but recognised that he needed to obtain the appropriate qualifications first. He wanted to run his own business as he liked the idea of being his own boss and the flexibility that it offered. Indeed, previous work experiences had left him unsatisfied and unhappy. Since setting up the business, Curious Explorer SD enjoys the freedom of working for himself and meeting clients but recognises that it can be a seasonal in nature given his reliance on football and rugby playing clients.

Curious Explore SR graduated from university with a Psychology degree in 2016 and following a few months off, set up her own business in January 2017. The business is aimed at providing meditation classes and one-to-one session to clients facing stress and also sells a range of cosmetic and skincare products. The business is run from her parents' house but it is SR's intention to move into an appropriate studio with another meditator in the near future. At present,

SR works short days (between 10am and mid afternoon) and is reliant on the business as her main source of income.

Her interest in this area of work stems from the fact that SR started to suffer from epilepsy as a teenager and the medication she was taking was resulting in tiredness. She took up meditation as a form of improving her epilepsy condition and reducing her dependency upon medication. The success of the meditation meant that SR was eager to share the benefits with others and she therefore set about exploring the possibility of starting a business in this area of work. She is driven by wanting to help people.

Her start-up costs were quite low although she did access financial support from her parents to purchase cosmetic and skincare stock. She has also benefited from mentoring support via Big Ideas Wales.

The business is still in its infancy yet SR is committed to building it further and expanding her customer base, particularly to include corporate clients. In order to do so SR recognises that she needs to learn from her initial lessons of trading, including the importance of now putting in place a business plan with a clear pricing strategy and one which is based on thorough market research.

4.5 Social Innovators

Key attribute: Ambitious individuals who are attracted to running their own business to achieve social change and make a difference to their community and clients, whilst also making a comfortable living.

Around one in ten of the sample (10 per cent) could be regarded as Social Innovators and these individuals are driven to set up in business more by a desire to see social change rather than for personal reward.

In terms of their demographic profile they tend not to be dominated by any one particular age cohort. A quarter (25 per cent) are aged 21 and under, 31 per cent are aged between 22 and 24 and 44 per cent are aged 25 and over. They are more likely to be women than other market segment groups (at 44 per cent) and are generally better educated (with 57 per cent educated at Level 5 or above). They

are more likely to have been sourced from Welsh Government data sources (at 56 per cent). Just under half of this group (46 per cent) were previously employed prior to starting in business.

This group is characterised by what they want to achieve for others rather than for themselves, with 38 per cent wanting to start in business in order to tackle a social problem or to support their community. Four-fifths (81 per cent) identified the main reason for starting a business as 'wanting to make a difference'. They are the least likely of the market segment groups to be driven by the desire to be their own boss (at 38 per cent). They are also the least likely to think that running a business is what they've always wanted to do or for it to have been their long-term ambition, yet they are not averse to considering themselves to be an 'entrepreneur'. They are the least likely at 38 per cent (together with Curious Explorers) to take the view that their reason for starting up in business was driven by a lack of good quality, well-paid jobs and the least likely of all groups at 13 per cent to find it difficult getting a job. They are the most likely of all market segment groups to consider what they do as 'running a business' (at 94 per cent).

Being self-employed is important for this group (at 75 per cent) to enable them to live where they want to. They are the least likely to be operating in very remote rural areas (none of them were based in a very remote rural area) and the most likely of all market segment groups (at 25 per cent) to be serving international markets.

Their main concerns about starting up in business are being able to 'earn a wage' at 31 per cent followed by securing clients/generating sales at 25 per cent. They are the least concerned of all market segment groups about making a financial loss (at 6 per cent) and are the least likely to have invested their own savings into their venture (only 56 per cent had done so). Social Innovators tend to face more barriers than other groups when starting up (only 13 per cent had not faced any barriers). Their main barrier during start up is the lack of personal finance to invest in their initiative - Social Innovators are far more likely than other market segment groups to identify this as a barrier (at 31 per cent).

Social Innovators are more likely than other groups to have accessed support from a business advisor (at 50 per cent) and their family (at 44 per cent) and regard the support which they had accessed in a positive light.

They are the most likely group to consider that a particular person has been a business inspiration to them (at 63 per cent) and tend to identify a wide range of influences in this context. They are also the

most likely group (at 50 per cent) to think that their own education had a significant influence upon their desire to start and run their own business.

This group tends to find running a business to be most stressful. They typically commit very long hours to their business (56 per cent commit very long hours to their business) and are the least likely to think that running a business gives them freedom to make their own decisions.

Social Innovators are driven by a need to tackle a social problem or support their community: 81 per cent selected the statement 'I wanted to make a difference' as the one which best described their decision to start in business. They are also often driven by their creativity and want to make the most of a good idea: 92 per cent think that running a business allows them to apply their talent and creativity. They overwhelmingly 'want to make a difference' and running a business helps them feel that they are contributing something back to the community: all of those surveyed agreed that running a business makes them feel that they are contributing something back to the community. Meeting the needs of customers is important for this group: Social Innovators is by far the group most likely to state that they enjoyed this aspect of their business, at 46 per cent.

Money-wise, Social Innovators are happy to make a comfortable living: earning a wage is their main fear at start up with 31 per cent citing this as a concern, followed by concerns about securing clients (at 25 per cent) along with fear of the unknown (at 19 per cent), fear of failure (at 19 per cent), and fear of not having the right skills or experience (at 19 per cent). They are the second least likely at 77 per cent (after Curious Explorers) to be reliant upon their business as their main source of income.

Social Innovators are quite ambitious for their businesses, with three-quarters (75 per cent) wishing to grow it as large as possible and take on (more) employees in the medium term. Some of them are already an ambitious group in terms of the numbers of employees they have in place: whilst 46 per cent don't employ anybody else over a third of them (38 per cent) employ five or more employees.

Social Innovator AC established his business at the aged of 18 to provide professional multi sports services for young people aged 7 and over with a focus on helping young people to get active. He was driven by a desire to harness his own passion for sport to help young people tackle anti-social behaviour and to provide fun and create opportunities for young people in his community. Drawing on his own difficult experiences in school he was keen to apply his enjoyment of sport and coaching skills for the benefit of others who were undergoing similar challenges: 'Having

experienced dyslexia and ADHD in school, I think maybe I was driven to help others and give youngsters who perhaps weren't academically motivated another outlet for their skills and energy'.

The business has evolved since AC first established the business as a modest operation whilst studying an electrical engineering course at a further education college. Together with a friend, AC started to run a few sports classes at a local club and having formed the business as a social enterprise, they secured some financial support from Live UnLtd. The social enterprise operated for a one year period and was later wound up. At the age of 19, he set up a second business which was focused on delivering fun Parkour⁷ classes in schools and community centres and during this time he achieved a level 2 coaching qualification. It wasn't long before he was able to employ an additional coach, given that they were running some 20 sports classes.

Social Innovator AC has been able to access support from Live UnLtd and Big Ideas Wales, the latter was regarded as being particularly helpful in developing a network of useful contacts. He has also received support around business and financial planning in order to address his weaknesses in terms of financial and legal knowledge.

The business has scaled up considerably over the six year period since it was originally set up and now employs seven employees and supports a further 53 sub-contracted coaches across the UK. Social Innovator AC has invested in a sports venue and has secured contracts with local authorities and schools across Wales to deliver sports provision. The business has also diversified into other similar services.

Social Innovator AC has always wanted to work for himself and is driven by the difference that he is making to his clients: 'When you see a young person who previously had no confidence suddenly turn round and do a backflip, you realise the difference you can make. That's what drives me, as well as seeing my coaches doing their jobs well and enjoying themselves'.

4.6 Local Pioneers

Key attribute: Well prepared and modestly ambitious self-employed sole traders who run small, localised businesses driven by the need to secure social status.

⁷ Parkour is a training discipline using movement that developed from military obstacle course training. It includes activities such as running, climbing, swinging, vaulting, jumping and rolling.

Local Pioneers form the smallest group, at seven per cent of the sample. These are most likely to consider themselves to be self-employed business owners (at 73 per cent) rather than entrepreneurs. They like to work for themselves mainly running small, localised businesses, often on their own. Seven in ten of them (70 per cent) don't employ anybody else and for those who do, their number of employees are small.

In terms of their demographic profile, Local Pioneers are slightly more likely to be male - three-quarters (73 per cent) are men and a quarter (27 per cent) are women. They are unlikely to be very young, with 18 per cent from the 16 to 21 age group, 36 per cent aged 22 to 24 and 45 per cent aged 25 and over. Local Pioneers are also more likely to have been sourced from non-Welsh Government data sources (at 55 per cent) and most likely to demonstrate a cross-section of ethnic groups (82 per cent were of a white ethnic group). Local Pioneers are also and the least likely to be based in or close to a city (at nine per cent) and over half (55 per cent) are based in or close to a large town.

Local Pioneers are largely one-person businesses which are most likely to serve the immediate local town or community (at 45 per cent). None serve international markets.

In terms of their journey to self-employment they are the most likely (as are Freedom Seekers) to have been previously employed on a full-time basis (at 60 per cent).

They are the most likely (at 80 per cent) to have only started their business within the last year and are the least likely (at 90 per cent) to think that it would have been possible for them to have reduced the overall length of time it took for them to start in business suggesting that this group make the journey into business fairly swiftly. Their main concern when starting up relate to securing clients and making sales, with 36 per cent citing this (they are also more likely than other market segment groups to cite this as a concern). Local Pioneers are also more concerned than other groups about having insufficient start-up funding in place (at 18 per cent) and rely upon their own savings to finance their start up: 64 per cent expected or had financed their business start-up using their own savings. Four in five (80 per cent) consider their business as their main source of income.

Generally, they are the group which face the least number of barriers when starting up (45 per cent had not faced any particular barriers when starting up) and consider themselves to be by far the most well prepared when doing do (at 91 per cent). They regard themselves as having had the greatest amount of relevant work experience in place prior to starting up with 64 per cent taking the view that they had significant prior relevant work experience. They have generally turned to friends or

colleagues (at 45 per cent) for support when starting up and are the least likely to have accessed support from a business advisor (at 9 per cent). They are the most likely to consider that a local business person has been a business inspiration to them.

Local Pioneers seek social status through their business, and the ability to earn more than they would otherwise earn via employment. Money isn't everything for many, but they are the most likely to have always wanted to run their own business and be their own boss (at 100 per cent). They are the most likely to consider that starting a business has been their ambition (at 100 per cent) although they don't necessarily consider themselves to be an entrepreneur (at 64 per cent). They are not driven to run their own business by difficulties in finding a job (only 18 per cent had been driven by this), but are the most uncertain as to whether working for themselves is actually better than paid employment.

They are the least stressed group despite being the most likely to commit very long hours to what they do (for instance, only 20 per cent consider themselves to be overworked and stressed despite 80 per cent committing very long hours to their business). They are the least likely to think that running a business allows them to secure a sense of purpose (at 40 per cent) or apply their talent and creativity (at 60 per cent).

In terms of their future aspirations they have fairly modest plans to grow their business with 64 per cent wanting to grow their business as large as possible and take on (more) employees. Interestingly, they are the most likely to want to start another business in the medium term with 27 per cent considering starting another business over the coming five years.

Local Pioneer LS demonstrates a number of the characteristics of Local Pioneers. She established her own café business in March 2017 and since graduating, has gained extensive experience in the catering sector having previously managed another café outlet in the same seaside town and worked within other catering establishments in the past.

The start-up planning process took some nine months in all due to the need to arrange a lease on the café premises and to negotiate a planning change in use for the building. LS works very long hours within the business – up to some 90 hours per week, largely due to the café being open for some 12 hours per day during the summer months. She is the sole owner of the business and will employ up to seven employees during the peak tourism season. In addition to the café facilities which serves the local area, the business also takes in income from other services including

catering events. LS does not currently draw an income from the business as it is not yet a profitable operation due to the need to invest in the refurbishment of the cafe. However, she is confident that the café will generate a profit in time and that she will be able to draw a reasonable income from the operation.

The start-up process has been frustrating and took longer than she would have liked not least due to difficulties finding suitable premises, making a planning application for a change of use, securing investment and undertaking refurbishment work on the café to strict regulations. On reflection, LS believed that she had left her previous employment position too early without realising that the start-up process would take so long, which left her out of work for some six months in all.

LS has been able to secure a business loan to fund the start up and running of the business, together with some financial support from family. She has also accessed support from a Business Wales advisor who advised her on her loan application and supported her with the financial planning aspects of the business.

LS has always wanted to run her own business and be her own boss since having managed café operations for others for a number of years. She particularly enjoys not having to answer to anyone else but also enjoys the practical nature of the day to day running of the café. She is keen to establish a better work-life balance for herself given that the number of hours she currently commits to the business is unsustainable.

Annex A Telephone Survey Questionnaire

Good morning/afternoon.

My name is <NAME> from Beaufort Research. We are carrying out research for the Welsh Government on the experiences of young people who are either considering starting a business or have recently started in business.

[As appropriate] Your details have been supplied to us by [Welsh Government/Name of Partner Organisation].

I'd like to ask you some questions about your journey to starting a business. Would now be a good time? It shouldn't take more than 10-15 minutes of your time at the most.

All answers you provide will be treated in confidence. The research is being conducted in accordance with the MRS Code of Conduct.

Your views and experiences will be used to improve the way Welsh Government supports young people in the future.

Section 1 Eligibility Questions

ASK ALL

First of all, can I check how old are you?

SINGLE CODE

Under 16;16;17;18;19;20;21;22;23;24;25;26;27;28;29;

[If respondent is 30 or older: Thank respondent for their time and note that the survey is focused on obtaining feedback from those aged under 30]

ASK ALL

In the last 12 months, have you considered starting or actually started your own business?

SINGLE CODE

Yes, considered

Yes, started

Neither

ASK IF 'NEITHER' IN LAST 12 MONTHS

In the last 2-3 years, have you considered starting or actually started your own business?

SINGLE CODE

Yes, considered [CLOSE]

Yes, started

Neither [CLOSE]

[If only 'Yes, considered' or 'Neither' in last 2-3 years : Thank respondent for their time and clarify purpose of survey is to capture feedback from those considering or have started their business recently]

Section 2 Current Position and Profile of Business

ASK IF 'YES, CONSIDERED IN LAST 12 MONTHS'

2.1a First of all, can you tell me where you're at terms of the journey to starting a business?

MULTI CODE

- a) I've given it some thought
- b) I've done some research and initial planning
- c) I'm actively planning to start up
- d) I'm working on my business ideas but need to finish my education
- e) I'm working on my business ideas but I'm also working / in employment
- f) I'm testing my business idea but would not consider myself to have started yet
- g) I'm no longer considering or planning to start a business in the near future

- h) Had a bad experience / put off business
- i) Other (Please specify)

ASK IF 'STARTED IN LAST 12 MONTHS OR LAST 2-3 YEARS'

2.1b First of all, can you tell me where you're at in terms of the journey to starting a business?

SINGLE CODE

- a) I've started a business within the last year
- b) I'm running an established business (more than one year)
- c) I'm no longer running a business (but have done in the past few years)
- d) I'm no longer considering or planning to start a business in the near future
- e) Other (Please specify)

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

2.2 Which of the following would best describe what you'd like to do/are doing?

MULTICODE

- a) Running a business
- b) Being self-employed
- c) Doing free-lance work
- d) Doing sub-contracting work
- e) Tradesman or tradeswoman
- f) Working for yourself
- g) Making money from a hobby
- h) Both working on business and still in education
- i) Test trading or working on business and working part time
- j) Other (Please specify)

ASK IF CURRENTLY RUNNING A BUSINESS

2.3 And can you confirm if your business is currently trading?

[By trading, we mean whether the business has secured any income by selling goods or services over the last year]

- a) Yes
- b) No

2.3a If no, Has the business ever traded?

- a) Yes
- b) No

2.3b If no, Would you say that you are in the process of making the transition into self-employment?

- a) Yes
- b) No

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

2.4 What is the nature of your (planned) business?

WRITE IN

If 2.3=YES For those who are currently trading

2.5 Other than yourself, how many people do you employ?

{Clarify that these would be on the pay-roll} WRITE IN

If 2.3=YES For those who are currently trading

2.7 Is your business your main source of income?

SINGLE CODE

- a) Yes
- b) No

2.7a If no, what would you say is your main source of income?

MULTI CODE

- a) Another employed job
- b) Welfare benefits
- c) Partner income

- d) Parental support
- e) Other (please specify)

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

2.8 Which of the following best describes the market that your business serves/will serve?

SINGLE CODE

- a) Mostly immediate local town or community
- b) Mostly within the local authority
- c) Mostly within the region
- d) Mostly within Wales
- e) Mostly within UK
- f) Both UK and international
- g) Other (please specify)

If 2.3=YES For those who are currently trading

2.9 What were you *mostly* doing during the year prior to running your business:

SINGLE CODE

- a) I was employed (FT)
- b) I had lots of part time jobs (under-employed)
- c) I was in school
- d) I was studying at a college
- e) I was studying at an university
- f) I was on a gap year
- g) I was self employed
- h) I was unemployed
- i) I was on incapacity benefits
- j) I was volunteering
- k) I was caring for family members
- l) Other

If 2.3=NO For those who are not currently trading

2.10 What are you currently doing work wise?

SINGLE CODE

- a) I'm employed (FT)
- b) I have lots of part time jobs (under-employed)
- c) I'm in school
- d) I'm studying at a college
- e) I'm studying at an university
- f) I'm on a gap year
- g) I am on incapacity benefits
- h) I'm volunteering
- i) I'm caring for family members
- j) Other

Section 3: The journey to starting up

If 2.1b = (a,b,c) For those who are running a business/have done so:

3.1 When did you actually start your business?

[Ask for registration date or date of first trade] WRITE IN MONTH AND YEAR

3.2 Thinking back, how would you describe your journey to starting up in business? WRITE IN

Prompt if required e.g. started slow, had a clear path in place, started from a hobby

3.3 What are/were your main concerns about starting up in business?

DO NOT PROMPT. MULTICODE

- a) Fear of the unknown
- b) Lack of confidence in my own abilities
- c) Fear of failure
- d) Securing clients or making sales
- e) Making a financial loss
- f) Earning a wage
- g) Giving up the security of a regular income from an existing job
- h) Giving up the security of a regular income from welfare benefits
- i) Not having the necessary skills or experience to run a business
- j) Lack of family support
- k) Concerns about work life balance
- l) I did not have any concerns
- m) Other (Please specify)

3.4 What barriers did you face when starting /are you facing when trying to start up in business?

DO NOT PROMPT. MULTICODE

- a) Dealing with other peoples' negative attitudes to your plans
- b) Lack of relevant business skills
- c) Lack of business knowledge – how to manage finance etc
- d) Lack of previous business work experience
- e) Lack of personal finance to invest in the business
- f) Difficulties accessing finance elsewhere (e.g. banks, family etc)
- g) Difficulties accessing business support / mentoring
- h) Lack of useful networks
- i) Lack of appropriate premises
- j) No particular barriers faced
- k) Other (please specify)

3.5 How well prepared would you say were you/are you to start and run a business?

SINGLE CODE

- a) Very well prepared
- b) Fairly well prepared
- c) Not particularly well prepared
- d) Not prepared at all
- e) Don't know

3.6 How did you/How do you expect to finance your business start-up?

MULTI CODE

- a) Own savings
- b) Bank loan or overdraft
- c) Investment from friends and/or family
- d) Business grant
- e) Crowd-funding
- f) Other (please specify)

3.7 Did you manage/Do you expect to raise the finance required to start up in business?

- a) Yes
- b) No
- c) Don't know

If no, **What difficulties did you face/do you expect to face in raising the finance required?** WRITE IN

3.8 Other than financial support, did you get/Are you getting any other support or advice prior or during the process of starting a business from any of the following?

LIST AND NOTE YES/NO TO EACH ONE

- a) a business advisor
- b) a mentor
- c) an accountant

- d) a family member
- e) friends or colleagues
- f) none of these
- g) Other (please specify)

ASK IF SUPPORT RECEIVED AT Q3.8**3.9 To what extent did/is the support and advice you received met/you're receiving meet your needs?**

- a) To a large extent
- b) To some extent
- c) To no extent
- d) Don't know

ASK IF Q3.8= a or b**3.10 Thinking about the support you received from a business advisor \ mentor , how did you find out about this support?****MULTI CODE**

- a) From friends or family
- b) From college or university staff
- c) Was referred by another organisation
- d) Did my own research
- e) Saw promotional materials
- f) Other (please specify)

3.11 How would you usually prefer to be kept informed of any business support which may be available to you?

[MULTICODE]

- a) Web based information
- b) E-mail information
- c) Social media updates
- d) Local workshop or events
- e) Via a dedicated business advisor
- f) Via a network of entrepreneurs
- g) Other (Please specify)

3.12 Thinking about the overall length of time it took/it's taking for you to make the transition to running your own business, approximately how long:

- **Did it/You expect it will take you to start the business from the very first point you considered the idea or working for yourself?** [Note years/months]
- **Within this timeframe, how long did you take/will you take on planning and starting the business?** by this we mean activities such as researching your market, securing premises, stock, clients etc) [Note years/months]

3.13 How much relevant work experience would you say you had/have prior to starting?

- a) Significant experience
- b) Some experience
- c) Hardly any experience
- d) No experience at all
- e) Don't know

ASK IF 'STARTED IN LAST 12 MONTHS OR LAST 2-3 YEARS'

3.14 Do you think it would have been possible for you to have reduced the overall length of time it took to start the business at all?

READ OUT:

- Yes
- Possibly
- No
- Unsure
- It was my choice for it to take as long as it did

IF YES OR POSSIBLY, **What, if anything, could have enabled you to start your business over a shorter duration?**
WRITE IN

IF YES OR POSSIBLY, **what, if any, support would you have valued so as to start the business in a shorter space of time?**
WRITE IN

ASK IF 'STARTED IN LAST 12 MONTHS OR LAST 2-3 YEARS'

3.16 If you had your time again – what advice would you give yourself? WRITE IN

Section 4: Motivations

4.1 Why did you want to start your own business?

[DO NOT PROMPT. MUTLICODE]

- a) To be my own boss
- b) To have more freedom
- c) To have a better work-life balance
- d) To earn more money as a main job
- e) To be creative and make the most of a good idea
- f) To escape unemployment
- g) To escape a bad workplace
- h) To do something interesting with my spare time
- i) To follow in my family's footsteps
- j) To top-up income I receive in another job
- k) To tackle a social problem/support my community
- l) To earn social status
- m) To work from home/closer to home
- n) To secure greater flexibility to look after children/family
- o) Other (please specify)

4.2 And which of the following statements would you say best describes your decision to start a business / to want to start a business? [SELECT ONE]

- a) I always knew that's what I wanted to do
- b) Works for my trade / career or profession
- c) I wanted to make a difference
- d) I spotted or was given an opportunity
- e) I enjoy working on a hobby and/or wanted to work part time
- f) I was inspired by family or other influencers including enterprise education

4.3 Would you say that the reasons for starting your own business were/are mostly out of necessity or opportunistic?

SINGLE CODE

- a) Necessity
- b) Opportunistic
- c) Neither
- d) Both
- e) Don't know

4.4 To what extent do you agree or disagree with the following statements about the reasons you started/want to start a business:

[Score as Completely Agree, Partially Agree, Neither, Partially Disagree, Completely Disagree, Don't Know]

- a. There was/are a lack of good quality, well-paid jobs available
- b. I was/am finding it difficult getting a job
- c. I'd/I've spotted a good business opportunity
- d. I wanted/want to be my own boss
- e. Running a business has always been my ambition
- f. I've always considered myself to be an entrepreneur
- g. Being self-employed is common in the sector I operate within

4.5 How would you describe the response you got from the following people to your decision to start up in business?

- a. **Parents**
 - Very supportive
 - Fairly supportive
 - Fairly unsupportive
 - Very unsupportive
 - Not applicable
- b. **Partner**
 - Very supportive
 - Fairly supportive
 - Fairly unsupportive
 - Very unsupportive
 - Not applicable**
- c. **Friends and peers**
 - Very supportive
 - Fairly supportive
 - Fairly unsupportive
 - Very unsupportive
 - Not applicable**

4.6 Has any particular person been a business inspiration to you? This could be somebody you know very well or an entrepreneur whom you've come across?

- a) Yes
- b) No
- c) Don't know

If yes, **is this person:**

MULTICODE

- a) A member of your family
- b) A friend
- c) A local business person
- d) A national or international business person
- e) A mentor or business advisor
- f) A 'celebrity' business person
- g) A teacher or leader within your education
- h) Other (please specify)

4.7 How much of an influence would you say your own education (in school, college or university) had upon your desire to start and run your own business?

- a) Significant influence
- b) Some influence
- c) No particular influence
- d) No influence at all
- e) Don't know

If a or b: **What was it about your own education that influenced your desire?**

Section 5: Attitudes and Aspirations

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

5.1 Which of the following best describes the amount of time you work/plan on working within your business?

SELECT ONE

- a) It is something I do in my spare time
- b) It is something I do within a short working week (including part-time basis)
- c) It is something that I do within a full working week
- d) It is something that I commit very long hours to doing
- e) None of the above
- f) Other

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

5.2 Which of the following best describes your financial outlook for your business?

SELECT ONE

- a) Make as much money as possible
- b) Make a comfortable living
- c) Other things are equally as important as making money
- d) I'm not reliant on the income
- e) I think I'll find it difficult making a living from the business
- f) Other (please specify)

If 2.3=YES For those who are currently trading

5.3 To what extent do agree or disagree with the following statements about running your business?

{For each option – strongly agree, agree, neither, disagree, strongly disagree}

- a) I often feel overworked and stressed
- b) I often feel isolated
- c) I have a good work-life balance
- d) Running the business is fairly stress-free
- e) Running the business allows me to apply my talent and creativity
- f) Running a business gives me a real sense of satisfaction
- g) Running a business gives me a real sense of purpose
- h) Running a business makes me feel that I'm contributing something back to the community

If 2.3=YES For those who are currently trading

5.4 What do you enjoy the most about running your own business?

[DO NOT PROMPT] WRITE IN.

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

5.5 Compared to working for somebody else, to what extent do you agree or disagree you feel more satisfied in your working life /will feel more satisfied in your working life when you start your own business?

[SELECT ONE]

- a) Strongly agree
- b) Agree
- c) Disagree
- d) Strongly disagree
- e) Don't know

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

5.6 Compared with working for somebody else, how important or not important is being/will be self-employed in helping you:

[LIST AND RECORD AS IMPORTANT, NOT IMPORTANT OR NOT RELEVANT]

- a) Work around any physical health issues
- b) Working around any mental health issues

- c) Finding the time and flexibility to care for older relatives
- d) Finding the time and flexibility to care for children
- e) Living where you would like to (e.g. in a rural setting)

ASK IF 'CONSIDERED IN LAST 12 MONTHS' OR CURRENTLY RUNNING A BUSINESS

5.7 What are you plans for your (proposed) business over the next 3-5 years?

- a) To grow it as large as possible and take on (more) employees
- b) To grow it as large as possible but not hire employees
- c) To survive / keep the business about the same size
- d) To reduce the size of the business
- e) To sell the business
- f) To start another business
- g) To close the business and move back into employment
- h) To close the business and do something else

Section 6: Identify

6.1 In which local authority is your business based? [If not trading ask for home local authority]

SELECT ONE

- a) Anglesey
- b) Blaenau Gwent
- c) Bridgend
- d) Caerphilly
- e) Cardiff
- f) Carmarthenshire
- g) Ceredigion
- h) Conwy
- i) Denbighshire
- j) Flintshire
- k) Gwynedd
- l) Merthyr Tydfil
- m) Monmouth
- n) Neath Port Talbot
- o) Newport
- p) Pembrokeshire
- q) Powys
- r) Rhondda Cynon Taf
- s) Swansea
- t) Torfaen
- u) Vale of Glamorgan
- v) Wrexham

6.2 What is the postcode of your business address? [If not trading ask for home address]

WRITE IN

6.3 Would you say that your business is primarily: [If not trading ask for where they live]

- a) In or close to a city
- b) In or close to a large town
- c) In a fairly rural area
- d) In a very remote rural area

6.4 What is the highest level of qualification you hold?

SELECT ONE

- a) No qualification
- b) Entry level
- c) Level 1 (NVQ 1, OCN 1, GNVQ)

- d) Level 2 (GCSE A*-C, NVQ 2, OCN 2, GNVQ Intermediate, BTEC First Diploma)
- e) Level 3 (A-Level, BTEC National Award, NVQ 3, OCN 3, Modern Apprenticeships)
- f) Level 4 (HNC, NVQ 4)
- g) Level 5 or 6 (Degree, Degree Honours, HND, NVQ 5)
- h) Level 7 (Masters Degree, Postgraduate Diploma)
- i) Other (Specify)
- j) Don't know

6.5 Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months? [Include problems related to old age]

- a) Yes, limited a lot
- b) Yes, limited a little
- c) No
- d) Don't want to disclose

6.6 What is your ethnic group?

- a) White - Welsh/English/Scottish/Northern Irish/British
- b) White -Irish
- c) White - Gypsy or Irish Traveller
- d) Any Other White background, please write in below
- e) Mixed/multiple ethnic: White and Black Caribbean
- f) Mixed/multiple ethnic: White and Black African
- g) Mixed/multiple ethnic: White and Asian
- h) Any Other Mixed/multiple background, please write in below
- i) Asian, Asian British: Indian
- j) Asian, Asian British: Pakistani
- k) Asian, Asian British: Bangladeshi
- l) Asian, Asian British: Chinese
- m) Any Other Asian background, please write in below
- n) Black/African/Caribbean/Black British: African
- o) Black/African/Caribbean/Black British: Caribbean
- p) Any Other Black/African/Caribbean background, please write in below
- q) Other ethnic group: Arab
- r) Any other ethnic group (please specify)
- s) Don't want to disclose

Thank respondent for their time. Close survey.

6.7 Code Gender

- Male
- Female

6.8 CODE Database Source

Annex B Qualitative Case Study Interview Discussion Guide

Background

- Tell me a bit about your current position and what you were doing before running your own business (school, further/higher education, volunteering, work experience, travel, paid employment, under-employment, periods of unemployment)
- Tell me a bit about the nature of your business e.g. location, premises, products and services, competitors, markets served, business sector, business structure and ownership
- Ask about business employees (numbers, type of work)
- Ask about business performance (sales, turnover, profit)
- How many hours do you work per week in the business?
- Is your business your main source of income? If not, what is?
- What, if anything, are you doing at the moment in addition to running your business?
- Ask about key developments since business was established

The journey to starting up

- How would you describe your journey to starting up in business?
 - Probe: slow start, started as a hobby, started with one idea but progressed to another, clear path from outset
 - What steps did you take? (early research, planning, securing premises/stock, securing clients)
 - When did you first consider the idea? How long did you spend just thinking about it?
 - When did you actually start trading and how long was the journey overall?
 - How long did each step or stage take?
 - How, if at all, could the journey have been quicker?
- How easy or difficult was the journey?
 - How stressful was this journey for you? Why do you say that?
 - What was the most exhilarating aspect of the journey?
 - What were your main concerns?
 - What aspects of starting up did you most struggle with?
 - How well prepared were you for starting up?
 - Looking back, what lessons did you learn?
- How did you expect to finance the business start-up? (savings, overdraft, loans, parents, grant, crowd funding)
 - Did you have any expectations about being able to get a business start-up grant?
 - In the event how did you go about financing the start-up of your business?
 - What financial support did you access and from where?
 - To what extent did the financial support available to you meet your finance needs?
 - [If relevant] What implications did not securing the finance you needed have on your business?
- What support (other than financial support) did you access during the process of starting a business? (Probe around support from other entrepreneurs, business networks, mentor, adviser, training, parents and any other collaborations etc)
 - What did you think of this support?
 - What was good about it?
 - Did it meet your needs? If not, why not?
 - What could have been improved about the support?
 - What support, if any, would you have valued so as to start the business in a shorter space of time?
 - How would you prefer to access any business support in the future? (e.g. f2f, web based, email etc)

Motivations

- Thinking back, why did you want to run your own business?
 - What was it that appealed to you about running a business?
 - Ask why they selected survey responses at Q4.1
 - Why did it appeal more than paid employment?
 - Probe whether they started up out of necessity or opportunity
 - Probe around they were purpose driven vs profit driven
 - Probe around extent they were looking for productive experiences
 - Who or what has been an inspiration to you in business? In what way have they inspired you?
- Have your expectations of running your own business meet met? Why do you say this?
- How much influence did any relevant experience you had have upon your decision to start in business?
 - What experience was particularly useful for you?
 - What experience would you have found useful?
- What influence, if any, did your own education have upon your desire to start and run your own business? In what way did this have bearing upon your decision?
 - What other influencers would have had bearing upon your motivation to start up in business? (parents, peers, partner)

Attitudes and Aspirations

- What is it that you enjoy about running your own business?
 - How, and in what way, is it better than working for somebody else?
 - What, if anything, don't you enjoy about running your own business?
- What are the advantages and disadvantages for you in running your own business?
- You described yourself as [refer to Q2.2 responses] in our survey. Why did you choose these descriptions over the others?
- Tell me a little about your level of commitment to your business:
 - How much time per week would you like to dedicate to the business?
 - How much importance to you attach to a reasonable work-life balance?
 - What's your financial outlook and expectations of the business?
- Where do you see yourself in five years' time?
 - Will you be running your business or doing something else (paid employment, running more than one business)?
- What plans do you have for your business over the next few years?
 - Ask about business consolidation, new products/services, expansion, growth in performance, survival or reductions and any plans to sell the business
- Finally, if you had your time again, what advice would you give yourself?
 - What advice would you give to others who are thinking about starting up in business?

- Do you wish to make any other comments?

Annex C Method Statement

Research universe and sampling

The research universe for this study was individuals aged under 30 in Wales who had started a business in the last 3 years or had considered starting a business in the last 12 months.

The sample frame for this study was sourced from numerous places including both Welsh Government and non-Welsh Government sources. Data from Welsh Government related to pre-start support services aimed at young people through Big Ideas Wales. This data includes clients referred from a range of sources, particularly Further and Higher Education. A full list is provided below and includes a variety of Welsh Government databases, commercial database providers such as Experian and Market Location and other sources such eligible participants who volunteered to be interviewed via an online registration survey distributed via appropriate organisations such as Universities, Further Education Colleges and third sector agents with an interest in enterprise or were working with young people. For some databases, all contacts were eligible for the survey. However, for others particularly Experian and Market Location sufficient information was not available to determine full eligibility (e.g. age of business or age of owner may have been available but not both). As such, eligibility questions were asked at the start of the interview to determine this. These were asked to all respondents (as a double check) even if database information indicated eligibility.

- WG Graduate Bursary
- WG Start Up
- WG Jobs Growth Wales
- WG Big Ideas Wales Bootcamp
- WG Big Ideas Wales Advisory
- WG Business Wales
- Experian Business Database
- Market Location Business Database
- OB3 registration survey
- Beaufort June2017 Omnibus⁸

Following de-duplication of all data sources, 1,746 records were available for contact. The vast majority of these 1,336 were from the commercial data providers (Experian and Market Location) and as noted above these included many records where the age of the business or age of the business owner would have meant ineligibility for the survey.

⁸ questions placed on the June 2017 edition in order to find eligible respondents

From this limited universe, a total of 150 interviews was targeted. Two quota controls were imposed on the sample of interviews namely:

- At least 50% of interviews to be sourced from non-Welsh Government sources
- A split of 100 individuals who had started in business and 50 who were considering starting in business.

As shown in the table below, the target of at least 50 per cent of interviews with non-Welsh Government sourced contacts was met. The target of achieving 50 interviews with 'considerers' was, however, more problematic, given the limited availability of this group within the sample frame – for example all contacts from the commercial databases (which constituted over three quarters of the sample) had started in business.

	Sample size	%
Database source		
WG Graduate Bursary	1	1%
WG Start Up	2	1%
WG Jobs Growth Wales	4	3%
WG Bootcamp and Challenge	24	15%
WG Big Ideas Wales / Business Wales	43	28%
<i>TOTAL WELSH GOVERNMENT</i>	74	48%
Experian Business Database	36	24%
Market Location Business Database	39	25%
OB3 registration survey	4	3%
<i>TOTAL NON-WELSH GOVERNMENT</i>	79	52%
Started in last 3 years or Considered in last 12 months		
Starter	135	88%
Considerer	18	12%
TOTAL	153	100%

Data collection

All interviews were conducted via CATI (Computer Assisted Telephone Interviewing) from Beaufort's head office in Cardiff. The questionnaire used for this research was developed by OB3 Research, Beaufort Research and the Welsh Government and can be found in Annex A. Interviews lasted approximately 15 minutes on average and were undertaken between 2 June and 30 June 2017. All respondents were offered the opportunity to take part in either Welsh or English.

Analysis

As well as standard data analysis, a segmentation of survey findings was undertaken. This took the form of a factor and cluster analysis.

Cluster analysis is a statistical technique for grouping respondents researched by a survey not by a single criteria but a large number of characteristics – in this case, their pattern of responses to a series of questions about motivations and attitudes towards running a business. The questions used for this segmentation were as follows:

4.1 Why did you want to start your own business? [SELECT ONE]

- a) To be my own boss
- b) To have more freedom
- c) To have a better work-life balance
- d) To earn more money as a main job
- e) To be creative and make the most of a good idea
- f) To escape unemployment
- g) To escape a bad workplace
- h) To do something interesting with my spare time
- i) To follow in my family's footsteps
- j) To top-up income I receive in another job
- k) To tackle a social problem/support my community
- l) To earn social status
- m) To work from home/closer to home
- n) To secure greater flexibility to look after children/family
- o) Other (please specify)

4.2 And which of the following statements would you say best describes your decision to start a business / to want to start a business? [SELECT ONE]

- a) I always knew that's what I wanted to do
- b) Works for my trade / career or profession
- c) I wanted to make a difference
- d) I spotted or was given an opportunity
- e) I enjoy working on a hobby and/or wanted to work part time
- f) I was inspired by family or other influencers including enterprise education

4.4 To what extent do you agree or disagree with the following statements about the reasons you started/want to start a business:

[Score as Completely Agree, Partially Agree, Neither, Partially Disagree, Completely Disagree, Don't Know]

- a. There was/are a lack of good quality, well-paid jobs available
- b. I was/am finding it difficult getting a job
- c. I'd/I've spotted a good business opportunity
- d. I wanted/want to be my own boss
- e. Running a business has always been my ambition
- f. I've always considered myself to be an entrepreneur
- g. Being self-employed is common in the sector I operate within

5.2 Which of the following best describes your financial outlook for your business?

SELECT ONE

- a) Make as much money as possible
- b) Make a comfortable living
- c) Other things are equally as important as making money
- d) I'm not reliant on the income
- e) I think I'll find it difficult making a living from the business
- f) Other (please specify)

5.3 To what extent do agree or disagree with the following statements about running your business?

{For each option – strongly agree, agree, neither, disagree, strongly disagree}

- a) I often feel overworked and stressed
- b) I often feel isolated
- c) I have a good work-life balance
- d) Running the business is fairly stress-free
- e) Running the business allows me to apply my talent and creativity
- f) Running a business gives me a real sense of satisfaction
- g) Running a business gives me a real sense of purpose
- h) Running a business makes me feel that I'm contributing something back to the community

The 'factor' analysis takes place prior to the cluster analysis and its role is to simplify the number of variables that are fed into the cluster analysis by examining how the variables relate to each other and looking for correlations between them.

Clusters of respondents are derived such that members of the same segment share similar attitudes, but also are maximally differentiated from other segments. The number of clusters or segments is determined as part of the analysis, but in any given segmentation they usually number between four and nine.

This results in segmentation on the basis of psychographic groups: groups defined by attitudes, motivations and values rather than simple demographics or behaviour.

For this survey, initially four clusters were found and subsequently named – Go Getters (27% of the sample), Social Innovators (10%), Local Pioneers (7%), and one further group which was by far the largest (56%) and was characterised by being attracted to the freedom that being your own boss offered and wanting to make a comfortable living. This latter group was further subdivided into two groups. The first of these was called Curious Explorers (17%) and to qualify for this group respondents had to fulfil at least one of the following criteria:

- Describe the amount of time they are / plan to commit as 'something do in spare time' or 'something in short working week' at Q5.1
- 'Making money from a hobby' is the only description given of what they are doing at Q2.2
- Have started at business but have never traded at Q2.3a
- Are 'considerers' plus only respond 'have given some thought' and/or 'done some research and initial planning' Q2.1

The remainder who did not satisfy the above criteria (and tended to be more established businesses) were labelled 'Freedom Seekers' (39%).