

## RESEARCH BRIEF

Survey and interviews to inform proposed changes to The Hive business support programme.

### BACKGROUND

Co-operatives UK (CUK) manages The Hive, a business support programme for co-ops, funded by The Co-operative Bank.

This UK-wide programme has been running for six years with more than 1,000 groups benefiting from consultancy support via free events and training, peer mentoring or tailored one to one technical consultancy.

The Hive is open to applications all year round with applications reviewed at monthly panel assessment meetings.

The consultancy support is delivered by a network of Hive providers (advisors). Successful groups can access a tailored package of 10 days of support made up of:

- One-to-one business support from an expert co-op development advisor,
- Peer mentoring with another, more experienced co-op
- In-house training

### WHAT WE'D LIKE TO KNOW

#### **1. The right user journey from initial business idea to applying for support and legally incorporating as a co-op**

We've seen an increase in website referrals since we combined our websites into one and created a step by step tool.

- Some are referred by professional advisers – and there for receive some pro-bono support in advance of their application

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- Some come direct to us and therefore need much more 'hand holding' through the process. E.g. we get lots of enquires to the website simply stating 'I'd like to start a co-op' without seemingly much more research or thought into what this entails.

We want to understand the different approaches groups have taken and understand:

- What level of support groups expect
- What type of support groups would find useful
- What groups would be prepared to do on their own before approaching us – eg watch webinar(s), online training, events, read resources etc

## **2. Why only 40% of groups accessing support are not going onto form a co-op.**

We've found that a large percentage of groups we support are not becoming a co-op – or take a long time do so:

- What are the issues causing this? Is the right support being offered to groups and co-operatives that apply?
- What else could we offer by way of 'after care'– by way of direct or online support/resources that keep groups on track.

**Please see a more detailed overview further down the document.**

## **OUR PROPOSED APPROACH**

**To be discussed with the agency, but our proposed approach is:**

- **CUK will draft and promote an online survey to all Hive applicants and key stakeholders.** We'd like the agency input on the survey
- **In the survey, we'd ask people to opt in for a follow-up interview**
- **CUK would select a representative mix of people who have opted in for a follow up interview** and share these with the agency (based on type of group / co-op, level of experience, their relationship with the programme – i.e. supported by or delivers support for The Hive)
- **Agency to carry out around 20 telephone interviews ~ 30 mins**

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- **Agency to produce a report** which analyses and summarises the online survey responses and telephone survey responses and provides recommendations

## BUDGET AND TIMESCALES

### BUDGET

We have a maximum £10,000 + VAT for this work. Please advise what is possible with (or below) this budget.

### TIMINGS

Contact [leila.osullivan@uk.coop](mailto:leila.osullivan@uk.coop) with any questions, to request a chat about the brief or to submit your proposal.

- **Submit proposals to CUK by latest 8AM, Monday 11 April**
- **Successful agency to be agreed and contacted w/c 11 April**
- **Kick off meeting w/c 18 April.** Agree methodology and finalise online survey. As we are short of time, the online survey will be drafted by CUK with input from agency
- **CUK to email survey out to potential research participants – w/c 18 April**
- **Agency and CUK to finalise follow-up interview questions – w/c 25 April**
- **CUK to start sharing contact details for individuals for the agency to contact for telephone interviews – from w/c 18 April onwards**
- **Interviews concluded and report, personas and recommendations provided to Co-operatives UK – timescale to be discussed at kick-off meeting, but ASAP from early-mid May.**

**Read on for more background to this research.**

## BACKGROUND: WHY WE NEED THIS RESEARCH

The Hive has been operating since 2016 and has gone through a few iterations. We have never had an opportunity to properly review certain aspects of the programme. We have reached a point now where it is important to undertake a research project to assess the programme and make recommendations for the future.

These recommendations will inform our decisions when proposing changes to the new look programme, changes that will be signed off by CUK's CEO as well as senior level representatives from The Hive's funders, The Co-operative Bank.

## WHAT WE WOULD LIKE TO KNOW

### **1. We would like to increase the number of *quality* applications. Is the right user journey in place for people to find out about The Hive support?**

In November 2020, The Hive microsite was integrated into the new Co-operatives UK website – [www.uk.coop](http://www.uk.coop). Prior to this around 80% of Hive applications were referrals from The Hive providers – a network of practitioners who deliver The Hive support on our behalf. Since then, 24% of groups and co-ops have been referred via Hive providers, over 30% directly via the website and 16% via word of mouth.

A new [Step by Step guide](#)<sup>1</sup> and online [incorporation \(business registration\) tool](#)<sup>2</sup> enables groups to better 'self-serve'. We recognise a large majority still require at least some handholding. We to understand where improvements can be made to the user journey and experience so we can increase the number and quality of applications.

### **2. We are finding that a large percentage of groups we support are not becoming a co-operative, or take a long time to do so. Is the right support being offered to groups and co-operatives that apply to The Hive?**

We have received 170 applications since the beginning of 2020, 85 during 2021. We supported 35 groups in 2021 – which is in line with our target, a 41% conversion rate. Of the new start-up co-ops supported so far:

- Only 40% successfully have gone onto start their co-ops and incorporate
- Only 13 supported groups have completed their feedback survey

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<sup>1</sup> <https://www.uk.coop/start-new-co-op/start>

<sup>2</sup> <https://www.uk.coop/start-new-co-op/start/register>

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We hope to get insight into how we can improve our understanding of what is stopping groups becoming co-ops and incorporating.

## AREAS OF INTEREST

We would like to interview some of the co-ops who have benefited from The Hive support – and some groups that were unsuccessful with their applications.

We've outlined our assumptions and scenarios relating to the user journey and experience to be tested, as well as some initial questions – though these are yet to be fully scoped out and of course will be supported by the agency.

### **How do groups work out that they want to be a co-op? E.g.**

- What first sparked your interest in forming a co-operative? (as opposed to another type of business)
- What next steps did you take?
- How did you hear about The Hive business support programme?
- We would like to know to what extent applicants 'self-serve' before they apply – what resources do they use e.g. step by step guide, online tools
- We would like to understand how can we encourage greater use of online tools and resources, how accessible are they?

Currently we only support groups who have already undertaken a level of work and research to demonstrate some viability of their idea, have a founding group, can demonstrate some feasibility. Is this fair and reasonable for groups who don't have access to the knowledge or pre-support to miss out on this opportunity because they're unable to do this 'pre work'? E.g.

– How much research did you/your group do about starting a co-op before you contacted us/applied to The Hive

– What level of research they'd be prepared to do before contacting someone for more information (e.g. read webpages, resources, watch a short webinar or a series of webinars)

- We'd like to ask what groups would like to see offered by way of support for early-stage development of their business idea. What barriers could we remove for those who might not be able to understand or undertake the process as well as others, so as not to miss innovation. The barriers could be in place because of language, understanding of the process, age (e.g. younger people might be less likely to read a lot of technical detail) etc.

## Application process

- Applicants need to find the appropriate 'pathways' or routes for support on our website – start-up, existing, buyout (from a non-co-op business to a co-op). The options may be confusing. We want to understand how groups found the route to applying – was it clear or confusing?
- Applicants need to complete a two-stage process:
- 1. **Eligibility form** (Step 1) – <https://www.uk.coop/start-new-co-op/start/support/eligibility>
- 2. **Full application form** (Step 2, this is the form for start-up co-ops – there are separate applications for each pathway): <https://www.uk.coop/start-new-co-op/start/the-hive-support/eligibility/form>
  - Does this process work for groups? Or is it overwhelming?
  - Is this an appropriate level of application to expect groups to take?
  - Is the criteria fair and reasonable (see [eligibility form](#) – we can share the questions separately)? Could it be simplified, what could we do to make it more accessible?
- All applicants receive a 'follow-up call' to gather more information to assess their support needs. The phone call helps us to understand their specific support needs. Or, if we recognise it's too soon for the group to be applying, or their not eligible, we sign-post to other support. We assume that this 'follow up' call adds value but would like to test this.
- Applications are assessed at an internal monthly panel using the information gathered in their application and from the follow-up call. Up to 10 days of tailored support is available (a mix of direct one-to-one business support with a co-operative business advisor, peer mentoring with a more experienced co-op (relevant to the sector or needs of the applicant) and in-house training). The support and number of days allocated is based on the needs assessed. On average, successful applicants receive around 4-6 days. The support is free, although successful groups pay a £100 commitment fee.
  - What support did you require to set up your co-op / convert to a co-op
  - What was your experience of applying for support
  - What were your expectations from the support and how were they met
  - Where else did you apply for/receive support? e.g. CUK support programmes (CS Booster, UnFound etc), other (Plunkett Foundation, Power to Change, support advisors)

## Support offer

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- Applicants may need greater clarity on what support is available, what the offer is e.g. number of days, type of support – are we being too prescriptive or too flexible?
  - Was it clear to you what support was available?
  - Were you happy with the support package you were offered?
  - Was there anything you felt could be improved in how your support needs were assessed or the types of support offered?
- There may be gaps in the type of support required or offered e.g., technical support around tax, finance, legal, HR etc. We'd like to know what groups would find useful – and in what form would this support be acceptable.
  - E.g. advice on:
    - Managing tax
    - Managing finances
    - Legal advice
    - HR support
    - Other (please state)
  - Offered via
    - Time with a business advisor
    - Watching a webinar
    - Reading a webpage / resource
  - When? As part of their initial support package, or an 'after care' package (i.e. when they're more established and after the initial set-up stage)
- Support delivery: We may not be meeting expectations around support delivery e.g. linked to the above, the allocation and delivery of support may not be appropriate for the needs of groups

## OUR DATA

- Contact details for all groups that have applied to The Hive since 2016
- Our network of Hive providers who deliver the support 'on the ground' across the UK, including via Co-operatives UK's advice team
- Survey responses from groups supported by The Hive since 2019
- Survey responses from Hive Providers delivering support to groups and co-ops

## ADDITIONAL LINKS

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Some links for how The Hive support and support for start-up co-ops is presented on our website:

- Main start-up landing page for all CUK support programmes  
<https://www.uk.coop/start-new-co-op>
- Main website landing page for The Hive support: <https://www.uk.coop/start-new-co-op/start/support>
- Step by Step tool for start-up co-ops: <https://www.uk.coop/start-new-co-op/start>
- The Hive case studies: [https://www.uk.coop/case-studies?f%5B0%5D=related\\_programme%3A1](https://www.uk.coop/case-studies?f%5B0%5D=related_programme%3A1)