

## **Research Specification: Qualitative study into the provision of legal services to small businesses**

### **Purpose**

To provide evidence on the challenges small businesses face in identifying and accessing the legal services they need. The results will be used to help support the work of the Legal Services Board (LSB) and be used to inform the ongoing development of the LSB's research programme. All research commissioned by the LSB will be published in full externally and freely available to academics and frontline regulators.

### **Background**

The LSB has been set up to reform and modernise the legal services market in the interests of consumers, enhancing quality, ensuring value for money and improving access to justice across England and Wales. The LSB will achieve this pursuing our regulatory objectives and providing regulatory oversight for the eight approved frontline regulators<sup>1</sup>. At the start of 2008, there were 4.6 million small enterprises in the UK employing 7.7 million people and represent 95.7% of all businesses in the UK or a third of all employment<sup>2</sup>. While the majority of research on access to justice focuses on individuals, cost-effective access to legal services is as important for businesses.

The LSB is aiming to develop a robust evidence base to support all its regulatory activities. There is little evidence currently on the problems facing small businesses in accessing legal services but we suspect that they may face many of the same problems faced by individual household consumers. The LSB has responsibility for ensuring there are no barriers to fair access to justice for all consumers of legal services, therefore it is essential that we understand the challenges facing all sectors of the market.

In the first instance we are looking to commission research to explore qualitatively the experiences of small businesses accessing legal services. At a later date, and depending on the results from this research, we may look to commission further research to develop a quantitative evidence base.

### **Aims and Objectives**

This research project is the first step in our efforts to improve our understanding of the provision of legal services to small businesses. Its primary aim is to explore, with the individuals responsible for making legal decisions within small businesses, understanding, attitudes towards, and experiences of legal services, including if possible experiences of making complaints about legal services. This initial study will help the LSB scope out the key issues facing this segment of the market, inform ongoing policy work and help identify further research requirements.

When we refer to small businesses we are referring to companies with fewer than 10 employees, though researchers may wish to consider whether other criteria, such as turnover, should be incorporated into the definition.

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<sup>1</sup> The Law Society, General Council of the Bar, Council for Licensed Conveyancers, The Institute of Legal Executives, The Chartered Institute of Patent Attorneys, The Institute of Trade Mark Attorneys, Association of Law Costs Draftsmen, Master of the Faculties.

<sup>2</sup> Small and Medium Sized Enterprise Statistics, UK, 2008 edition, small enterprises are defined here as businesses with no or one employees. <http://stats.bis.gov.uk/UKSA/ed/sa20091014.htm>

In particular the research should explore the following issues:

- What legal needs do small businesses have e.g. employment, property, contractual issues?
- To what extent do small businesses understand their legal needs?
- What strategies do small businesses use to resolve their legal needs (e.g. ignore, talk to a relative/friend, trade body, solicitor etc.)?
- If they choose to take help from legal services providers, what types of services do small businesses currently seek?
- What barriers do small businesses perceive in meeting all of their legal needs from the current legal services providers?
- What drives small businesses satisfaction/dissatisfaction with the provision of legal services?
- What changes would be needed to help improve small business satisfaction in areas where they are currently dissatisfied?
- What information could be provided which would help small businesses (eg examples of effective information provision from other markets) and how would they like it to be delivered?

The research should also highlight gaps in knowledge that exist in this area with suggestions for future research which could help address the outstanding research questions.

### **Issues and scope**

We invite prospective researchers to make proposals about the most effective research methodology to address these questions. But, given the difficulty of researching decision makers within small businesses we would expect the research to include a number of face-to-face interviews and/or focus groups. The prospective researchers may also wish to consider whether any evidence is available from existing research sources to supplement this primary research.

While this research is envisaged as qualitative research, the researcher(s) should consider how they can achieve coverage across a wide cross-section of the business community, both looking at a variety of industry sectors and sizes of company. For example the research might consider the different issues facing self-employed tradespeople, manufacturing, services, retail, wholesale etc. The research should also seek to determine whether the challenges are different for remote or rural businesses from businesses based in major cities or towns in England and Wales.

We would expect the research to consider a wide variety of potential legal needs that small businesses could potentially have, both civil and criminal.

### **Tender Evaluation Criteria**

All projects commissioned by the LSB are subject to our standard terms of contract. Tenders will be evaluated on best value for money and will be assessed on the basis of:

1. Overall cost. Please include appropriate breakdowns
2. The extent to which tenders are clearly written and meet the specified objectives, present a sound methodology, identifying any potential problems, and proposing suitable solutions
3. Address outputs and ensure these are in line with requirements and the required timing of the project

4. Proposed team composition, expertise and management and the organisation's diversity policy
5. How diversity issues would be addressed in the research.

## **Deliverables**

### Output

The output for this research should be an executive summary, a short report (no more than 50 pages) with supporting evidence that addresses the specification. The report should be suitable for publication, although any decision to publish will remain with the LSB. It is essential that the report and underlying research is sufficiently robust so that the LSB can use this in discussions with external stakeholders. The research should have clear conclusions that the LSB will consider in developing future policy proposals.

Researchers should expect to present the results of this analysis on a small number of occasions (up to 4). Please cost for this separately.

The LSB will retain ownership of the research, report and any underlying data.

### Project plan

Tenders should include a project plan and time schedule for the work that identifies the main task and key milestones that will be used to monitor progress. The plan should be accompanied by a resource profile, giving a breakdown of the resources in person days allocated to each task.

## **Duration**

The research should commence in December 2009. Tenders should set out dates for completing key milestones such as information gathering, analysis, synthesis and report writing. Interviews with all shortlisted consultants will take place on 3 and 4 December. The first draft should be submitted to the LSB by 4 March 2010, with the finalised report due by 18 March 2010.

## **Legal Services Board Contact Details**

Tenders with any queries about the research specification should contact:

Policy team: Lesley Davies 020 7271 0071

Research: Alex Roy 020 7271 0060

**Tenders must be submitted by 5pm on Tuesday 1 December 2009**