Future of Business Survey Case Study

The purpose of this case study is to better understand GPSDD’s contribution to and the outcomes to-date of the collaborative public-private partnership that resulted in the development of the Future of Business survey.

To capture the dynamism of the collaborative process, the case studies are designed to explore outcomes at the various stages of the process which can be broadly categorized as: 1. Catalyze connections between stakeholders; 2. Coordinate to understand the issue, develop, and prioritize solutions; 3. Impact decision-making by using, sharing, adapting, and re-using data. This activity is considered to be in stage 2. We hope to do a follow up case study to further explore and document outcomes from stage 3.

The content and structure of this case study builds upon the case study conducted by GovLab and presented in “The Potential of Social Media Intelligence to Improve People’s Lives – Social Media Data for Good.” The case study includes direct inputs from Facebook, the World Bank, and OECD, as well as secondary information gathered through a number of reports and documents.

Data4Development Challenge

Small and medium-sized enterprises (SMEs) are not only an important source of innovation and economic growth but have also expanded drastically in the mobile economy. As such, they are of particular interest to policymakers, researchers, and other businesses. However, “getting accurate and timely information on SMEs is challenging even in developed countries with good government data collection because of the costs in time and money of administering traditional surveys and the difficulty of reaching SMEs. In developing countries, it has been all but impossible.”

Response

In 2016, the Global Partnership for Sustainable Development Data (GPSDD) was approached by Facebook with an idea to collaborate on a research project consisting of a survey of SMEs who use the Facebook platform for business purposes. In the spirit of fostering public-private partnerships, the GPSDD secretariat connected the Facebook team with two GPSDD partners, the Organization for Economic Development and Cooperation (OECD) and the World Bank. These three entities, in partnership, launched the Future of Business Survey as a new source of information on SMEs. The survey, originally launched monthly and now collected bi-annually, provides “a timely pulse on the economic environment in which businesses operate and who those businesses are to help inform decision-making at all levels and to deliver insights that can help businesses grow.”

3 https://eu.futureofbusinesssurvey.org
The Future of Business survey targets SMEs with registered Facebook pages. The initial survey sample included 22 countries, of which 13 were high income and nine that were middle income. Low income countries had originally been excluded from the survey because of the low sample size of registered businesses. The survey administration was then expanded to 40+ countries, including low income countries, and in H1 2019 will include 80+ countries, with substantially higher representation among countries in the developing world.

To date, more than 80 million SMEs have created a Page⁴, and “more than 336,000 businesses with a Facebook Page have responded to the Future of Business Survey.”⁵ “With more businesses leveraging online tools each day, the survey provides a lens into a new mobilized, digital economy and, in particular insights on the actors: a relatively unmeasured community worthy of deeper consideration and considerable policy interest. The survey includes questions about perceptions of current and future economic activity, challenges, business characteristics and strategy.”⁶ The shared goal among the three partners is to help policymakers, researchers, and businesses leverage a digital platform that will provide additional data and insights that will help better understand business sentiment and complement existing enterprise indicators.

Outcomes

Data
The Future of Business survey collects data from a sample of businesses that are generally not otherwise captured through other tools such as traditional enterprise surveys. In particular, the survey includes micro businesses defined as those with an average of five or fewer employees. Traditional establishment surveys, such as the World Bank enterprise survey do not capture these businesses. Micro businesses are not included in the traditional surveys for multiple reasons including increased costs of collecting information from these businesses through face to face surveys and micro businesses often not being registered as an official business due to the expenses associated with the registration process.

The FoB data is consistent with other surveys, which validates the method and approach, while also offering “new insights on the perception of regulation among SMEs, providing rich information on the characteristics of firms within countries, including age, size, gender composition and the sector of activity.”⁷ These data also provide insights on the difference in gender ownership of enterprises, sources of finance, gender gaps in access to finance, and whether digital tools affect enterprise. The Future of Business survey data is now available on the World Bank’s Open Data Portal, which makes this unique dataset available to everyone.

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⁵ Facebook, the World Bank, and the OECD. “FINANCING AND WOMEN-OWNED SMALL BUSINESSES: THE ROLE OF SIZE, AGE AND INDUSTRY.” MARCH 2018
⁶ https://eu.futureofbusinesssurvey.org/
While the survey was initially conducted on a monthly basis, the stakeholders found that there are not users for this type of data at such high frequency and have shifted to conducting the survey twice a year. While insights on business sentiments and confidence levels increasing or decreasing are valuable, it is not information that is necessarily immediately actionable in the context of a development project and instead useful for longer term policy actions. In addition to reducing the frequency of data collection, the survey module is also now designed to be a flexible tool, allowing for questions to be altered or new questions to be added to respond to emerging questions from partners at the World Bank and OECD. Stakeholders from these institutions note that the uniqueness of the dataset makes it valuable even done only once a year, as establishment surveys like the Work Bank Enterprise Surveys are typically conducted every 4-5 years, sometimes with longer time lags based on funding priorities.

Skills
This public-private partnership successfully leveraged the distinct expertise of the three key partners to complement each other in developing and implementing this survey. All three partners agree that co-creation and collaboration was a key part of the process.

The OECD provided expert knowledge about SMEs, their characteristics and the ‘hot’ topics in the sector. In particular, they provided the idea to include questions on gender, which has generated lots of information on gender gaps. The World Bank brought their experience of implementing surveys in the field globally, including expertise in designing technical questions in developing country contexts to complement the OECD’s experience with member countries. The Facebook team brought the private sector perspective and provided inputs on how to ensure that the survey is reflective of how enterprises ask and interpret questions. Each of the three partners leveraged their particular expertise and skillset to contribute towards developing and implementing a survey that would be both relevant to the SME sector as well as useful to a larger audience of policymakers, researchers and businesses.

Knowledge
The three partners jointly authored a paper titled the “Future of Business Survey - Financing and Women-owned Small Businesses: The Role of Size, Age and Industry.” Findings highlighted in the report from analysis of 32,000 respondents in 42 countries include: that women access all forms of funding from outside the household at lower rates than men and that company size is significantly more likely to affect female-led companies’ likelihood to get a loan than male-led companies. The graph below illustrates the gender gap in the usage of bank loans, with female-owned business being less likely to access bank loans than male-owned business in all regions, except Africa. While these findings are consistent with existing research, the paper goes a step further and combines this with the finding that women business owners also access state funding at low rates to suggest more targeted recommendations such as “training programs to help female enterprises grow beyond single-person businesses could be bolstered to highlight the virtuous circle between growth and access to finance.”

Several other publications have been produced using or referring to the dataset including by academics, telecommunications companies, and senior leadership at the partner organizations. The OECD included the experience and results of this survey as a successful public-private partnership on data in the annual report of OECD Ministerial Conference. They have also reflected this experience in the new framework on data that is being implemented and have created country pages using the FoB data. The FoB survey has also attracted high-level interest both at Facebook and the World Bank, including by Sheryl Sandberg.9

In addition to developing a new dataset, the partners have also implemented key learnings as they continue to improve the product. As mentioned above, the survey is now administered less frequently and designed to be a flexible instrument to speak to the most current priorities of the World Bank and OECD. Furthermore, the survey’s global scope continues to expand to be more reflective of SME perspectives across the world, including in developing nations.

**Resources**

The FoB is more cost and time efficient than traditional in person interviews or even telephone interviews. For example, while the OECD has a large database of statistics, these are often collected from OECD country statistical offices. Compiling statistics through official channels is often a very lengthy process, while the FoB data provides a much faster and less resource-intensive source of information. For both the OECD and the World Bank, the resource implications are minimal and focused on staff time in providing inputs on the survey instrument and analysis. All three partners have regular check-ins to discuss progress.

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The FoB was initially administered by an externally contracted firm, which limited how easily the Facebook team could scale to new countries. Learning from this experience, the survey administration process is now being implemented in-house at Facebook. Performing the survey in-house at Facebook means that the survey can be expanded to additional countries at low cost, especially now that the survey will only be administered twice a year.

Future Implications
Given its scope and reach, the data from the FoB survey has already provided valuable insights on SMEs around the world. In particular, the ability of the survey to continuously generate new ideas and data to respond to emerging topics and questions leveraging the digitization of businesses is a unique value add. The implications of the survey findings are largely policy related and take time to materialize. However, Facebook, the World Bank, and OECD are concentrating efforts to raise awareness and working to expand the list of teams leveraging this data every day.

While the data is available through the FoB website10 as well as the World Bank Open Data Portal, the access traffic is not particularly insightful now because it was made public so recently. However data access, as well as use cases will be informative to more fully understand the value and utility of the data over time. In addition, this survey is a successful example of a public-private partnership on data that can provide lessons learned and best practices to share with the data community at large.

10 https://eu.futureofbusinesssurvey.org