

International Finance Corporation
Small and Medium Enterprises Segmentation Project

Questionnaire for Primary Survey



By:

Specialist Advisory Services Group

Anjum Asim Shahid Rahman

Chartered Accountants & Management Consultants

Survey Reference No	
Date	
Day	
Time	
Name of Respondent	
Name of Enterprise	
Title	
Address/Location/city/ province	
Mobile Number	

Assalam-O-Alaikum, I am representing Anjum Asim Shahid Rahman – Chartered Accountants and Management Consultants and I am undertaking a market sector survey focused on the SME segment. This research will be covering the financial needs and growth requirements of small and medium enterprises in Pakistan.

We assure you that there are no wrong answers and we are only interested in your opinions and financial needs. We will not use your identity or your individual response in any third party report, and your suggestions and responses will be aggregated along with the total responses of this survey to obtain an overview of the business sector in which your organisation operates. Any information you provide will be held strictly confidential within our office.

If there is anything you do not understand during the interview, please feel free to ask me to explain. Thank you for taking time out of your busy schedule for this interview. This interview will not take more than 45 minutes.

Market Survey – Pre-screener

No	Question	Options
1	How many businesses do you own? IF MORE THAN ONE BUSINESS: We would like to talk to you about the business that you consider as your main business.	i) 1 ii) 2 iii) 3 iv) More than 3
2	Please classify your main business under the following sectors?	i) Agriculture ii) Industry iii) Services
3	Please explain the sub-sector to which your business caters to: <i>List of 10 shortlisted subsectors</i>	i) Sale, maintenance and repair of motor vehicles and motorcycles ii) Other Land Transport (Logistics & Passenger Traffic) iii) Education iv) Health and Social Work – Private sector hospitals v) Textile Fabric vi) Other Non-Metallic Mineral Products – Glass & Ceramics Industry vii) Other Food products – Bakery & other confectionary products viii) Motor Vehicles and Trailers – Auto parts manufacturing ix) Meat, fruit, vegetables, oils & fats x) Grain mill products and animal feed
4	What is the ownership type of your company / main business? (single response only)	i) Individual / Proprietorship ii) Partnership iii) Private Limited Company iv) Public Limited Company v) Branch of a foreign company vi) Cooperative vii) Other (specify _____)
5	Is this business your only source of income? If No, what are the other sources of income	i) Yes ii) No, revenues from other businesses iii) No, revenues from government grant (disability, child, pension) iv) No, pension / retirement annuity v) No, revenues from other members of my family vi) No, revenues from investments vii) No, salary from other activity, viii) No, Other (<i>please specify</i>)
6	What type of premises do you operate your business from?	i) Own house ii) House/room/factory rented for business iii) House/room/factory owned by business iv) Door to door selling v) No fixed location vi) Other (specify: _____)
7	When was this business established and how long have you been running this business?	i) < 1year ii) 1 to 3 years iii) 3 to 5 years iv) 5 to 10 years v) >10 years
8	Did you establish this business?	i) Yes ii) No

Market Survey – Pre-screener

No	Question	Options
9	If No, then who established this business	
10	If Yes, What sources of finance did you use to start / establish this business? (several answers possible)	i) Personal money ii) Personal from me and my partners iii) Borrowed from family, friends iv) Borrowed from banks, financial institutions v) Funded by someone else vi) Other (Specify):
11	Number of employees	i) 0-4 ii) 5-9 iii) 10-24 iv) 24-50 v) 51+
12	What is the skill level of employees required for your business? If Skilled please provide the level of education required?	i) Skilled ii) Unskilled iii) Both (<i>ratio</i>) Education level of skilled employees
13	Including the head office how many branches / factories does your business have in the country	iv) Only this one v) 2 - 5 vi) > 5
14	What regions within the country does your business serve? (Customer presence in locations)	
15	Do you trade outside the country? If yes please provide details of your international business	
16	Is your business formally registered?	i) Yes ii) No
17	Are u aware of efforts currently being undertaken by Government of Pakistan to assist SMEs? If Yes, have you ever been a part of any such assistance / program and how satisfied are you?	i) Yes ii) No _____ _____ _____
18	Does your business pay income tax? If not what is the main reason?	i) Yes ii) No, because informal business iii) No, mainly because not enough profit iv) No, mainly because no action will be taken against me v) Does not know vi) Other. Specify: _____
19	Is your business registered for GST?	i) Yes ii) No
20	Have you ever heard of any banking product being offered to the SME sector in Pakistan? If yes, Please specify?	

Ask these questions before Section 9

Market Survey – Financial Information

No	Question	Options	
1	Do you prepare financial statements?	i) Yes ii) No	
2	Are your financial statements audited? If Yes, by whom?	i) Yes ii) No	
3	What is the total capital of the business (Business size/Worth - Estimated/Perceived value)	i) Less than PKR 10 MN ii) PKR 10 – 50 MN iii) PKR 50 – 100 MN iv) More Than 100 MN Specify:	
4	What amount were your total business assets for last financial year?	i) Less than PKR 10 MN ii) PKR 10 – 50 MN iii) PKR 50 – 100 MN iv) More Than 100 MN Specify:	
5	What is the composition of total assets with respect to the following business assets?	Amount in PKR	Percentage
	i. Land & Building		
	ii. Plant & Machinery		
	iii. Vehicles		
	iv. IT Equipment		
	v. Stock/Inventory		
	vi. Debtors/Trade Receivables		
	vii. Other Receivables		
	viii. Cash & Bank for business		
	ix. Other		
6	What is the composition of total liabilities with respect to the following?	Amount in PKR	Percentage
	Borrowing from banks for vehicles		
	Borrowing from banks for plant & machinery		
	Borrowing from banks for working capital		
	Borrowing from other sources (friends/family)		
	Trade payables		
	Other payables		
7	What is the average annual revenue for the last three financial years?	i) Less than PKR 10 MN ii) PKR 10 – 50 MN iii) PKR 50 – 100 MN iv) More Than 100 MN Specify:	
8	Please provide average total expenses for last 3 years? (Salaries, Rent, Utilities, Material, Transport & Storage)	i) Less than PKR 10 MN ii) PKR 10 – 50 MN iii) PKR 50 – 100 MN iv) More Than 100 MN Specify:	

Market Survey – Financial Information

No	Question	Options
9	What was the percentage of employee cost in total cost (total remuneration & benefits paid to employees)	i) Less than 5% ii) 5% - 10% iii) 10%- 25% iv) 25% - 50% v) 50% - 75% vi) More than 75% Specify:
10	What was the percentage cost of materials procured in total cost for the last financial year (Direct materials cost charged to inventory)	i) Less than 5% ii) 5% - 10% iii) 10%- 25% iv) 25% - 50% v) 50% - 75% vi) More than 75% Specify:
11	What were the interest expenses (against borrowings, if any) for the last financial year?	i) Less than 5% ii) 5% - 10% iii) 10%- 25% iv) 25% - 50% v) 50% - 75% vi) More than 75% Specify:
12	Please, provide average net income/profit for last three years	i) Less than PKR 1 MN ii) PKR 1 – 5 MN iii) PKR 5 – 10 MN iv) More Than 10 MN Specify:
13	What is percentage of growth / decline in your income?	Less than 1% 1% - 5% 5% - 10% 10% - 15% 15% - 25% More than 25%
14	Have you incurred any capital expenditure on purchase of plant and machinery in the last five years? If yes Please Specify, If no? Why	i) Yes. Specify ii) No. Why?

Market Survey – Business Cycle

No	Question	Options
1	Is your business seasonal (only runs for part of the year)? If yes, specify	i) No ii) Yes. Specify number of months: _____ Sales _____ Purchases
2	How many competitors do you have and what is the geographical concentration of your competitors?	i) One to Five ii) Five to Ten iii) More than Ten _____ Geographical Concentration
3	What are the key raw materials needed for your business?	
4	What type of suppliers do you have? (Based on establishment)	i) Formal wholesalers ii) Formal retailers iii) Informal market / individuals iv) Other (specify: _____)
5	How many suppliers do you have?	i) One ii) Two to five iii) More than five
6	How consistent are your supplier relationships? Please select from the following list of attributes	i) Always rely on the same supplier for material needs ii) Supplier not consistent in meeting my business material needs iii) Have to depend on numerous suppliers for meeting business material requirements iv) Need to identify new suppliers due to inconsistency of material quality supplied
7	Name the locations from where you purchase your raw materials/supplies	
8	What method do you use to buy supplies for your business? Please specify what is the % share of each out of the 100% of business purchase)	i) Cash ii) Direct transfers from a bank iii) Payment/Debit/Credit cards iv) Cheque v) Letters of Credit vi) Letters of guarantee (LGs) vii) Other (specify)
9	If you take loans from suppliers, what is the usual tenure (in months) and credit terms of the contract?	_____ months _____ Credit Terms
10	What is the early payment/cash discount offered by your suppliers (if any)	
11	Do you receive formal invoices from your suppliers?	i) Yes, for all ii) Yes, for most of them iii) Yes, but only for the biggest ones iv) No
12	Do you make foreign currency payments for trade supplies?	i) Yes ii) No
13	And what is the mode of making these foreign currency payments?	i) Drafts ii) Wire transfers iii) Payment cards iv) Internet banking channels v) Other
14	What method do you use to pay your employees? Please specify what is the % share of each method, value-wise.	i) Cash ii) Cheque iii) Direct deposit to employee account iv) Automated transfers from a bank

Market Survey – Business Cycle

15	Which of the following apply to your business? (several answers possible)	i)	Have regular customers
		ii)	Never know where my customers will come from
		iii)	Sometimes have shortage of customers
		iv)	Have long term contracts (> 1 year) with customers
		v)	Have long term contracts (> 1year) with large reputable companies
		vi)	Have contracts/legal agreements with my customers
16	What type of delivery channels do you use for servicing your customers?	i)	Sales through own interface / shop / office
		ii)	Sales through intermediary / distributor
17	And on an average, how many customers do you service annually?	i)	Less than 10
		ii)	11 to 50
		iii)	51 - 100
		iv)	> 100
18	Do you issue printed sales tax invoices to your customers?	i)	Yes, for all
		ii)	Yes, for most of them
		iii)	Yes, but only for the biggest ones
		iv)	No
19	What methods do you usually use to collect payments from your customers? Please specify the % of each method of total annual sales.	i)	Cash
		ii)	Cheque
		iii)	Direct deposit into company account
		iv)	Bank credit cards
		v)	Bank debit cards
		vi)	Others _____
20	What credit terms do you offer to your customers?	i)	No credit
		ii)	1 month
		iii)	3 months
		iv)	6 months
		v)	1 year or more
21	What time period is usually required to collect payments from customers?	i)	1 month
		ii)	3 months
		iii)	6 months
		iv)	1 year or more
22	What is the cash-sales to total sales ratio?	i)	Cash Sales %
		ii)	Credit sales %

Market Survey – Banking Needs

No	Question	Options
1	Do you currently (or previously) use(d) a bank for any of your business needs? If No, ask why and move to section 6?	<ul style="list-style-type: none"> i) Yes ii) No _____
2	What is your bank of choice?	<ul style="list-style-type: none"> i) Foreign Bank ii) Local Bank iii) Islamic Bank iv) Specialized SME Bank
3	What are the drivers for choice of bank? (More than one answer allowed)	<ul style="list-style-type: none"> i) Courteous and friendly staff ii) Personal relationship with Branch manager or staff iii) Personal / family bank iv) Dedicated relationship manager v) Branches look nicer vi) Efficient and rapid service vii) Privacy/confidentiality/ trust viii) Reduced bureaucracy, simplicity in loan application etc ix) Provides good loans in terms of tenure x) Provide low interest rates on loans xi) Offer nice interest on savings xii) Wide range of products xiii) Flexibility in understanding your needs xiv) SME specific products xv) Advisory services xvi) Convenience/location/proximity to business xvii) Working with this bank gives you a good image xviii) Branches / counterparts in foreign countries
4	Could you please rank these banking parameters based on their importance for you to choose your main bank for business purposes. Please give top 5 ranks. 1= best Other (specify)	<ul style="list-style-type: none"> i) Has products suited for SME needs ii) Has innovative/modern products for SMEs iii) Customer service is efficient and prompt iv) Demand reasonable collateral / guarantees v) Provides lending at reasonable rates to SMEs vi) Charges reasonable commissions and fees on deposits and cash management (Other Charges) vii) Good branch managers / officers viii) Good branch location
5	In terms of Network, how do you rank the following attributes of a bank (1=Most Important)	<ul style="list-style-type: none"> i) Has country wide branch presence ii) Branches / counterparts in foreign countries iii) Has a wide network of ATMs iv) Has online branches v) Offers branchless banking facilities
6	What medium of marketing banking products best suits your requirement?	<ul style="list-style-type: none"> i) Television ii) Billboards iii) Call from banks iv) Friends v) Newspapers and magazines Others (Please Specify)
7	Do you think local banks have more/less to offer you compared to branches of foreign banks?	<ul style="list-style-type: none"> i) Less to offer ii) It is not a differentiating factor iii) More to offer

Market Survey – Banking Needs

No	Question	Options
8	Please rank the different delivery channels that you prefer to use to manage your account services (money, transfers, payments, loan, repayments, etc.)	i) Branch ii) ATMs and automated terminals iii) Internet banking iv) Call centers v) Automated telephone banking services vi) SMS banking / Mobile Banking vii) Automated recurring payments service/ direct debit viii) Other (specify: _____)
9	<p>Does your business have a bank account?</p> <p>If not, why and has any bank approached you for opening a business bank account?</p> <p>If Yes, Since when do you have this account?</p>	i) Yes ii) No, I do not need one iii) No, I have tried but been turned down iv) No, I do not want to try, it is too complicated v) No, other reason. Specify: _____
10	Do you use your personal bank accounts for your business? If yes, since when and why? (several answers possible)	i) No ii) Yes, costs of personal products are lower than those for businesses iii) Yes, easier to get access to banks as an individual iv) Yes, I did not have enough funds in my business accounts v) Yes, for tax reasons vi) Yes, business and personal money are the same vii) Other. Specify: _____
11	What bank is your main bank, for conducting all your major business financial transactions? (business operating account)	
12	Is this bank also your main bank for personal transactions? If not, please name your personal main bank	
13	Do you require your bank to provide you with any other feature in your business bank account?	
14	If Yes: List down What features. If No: Proceed with next question	
15	Does your business have term deposits	i) Yes ii) No
16	What is the term of your deposit account	i) Less than 1 year ii) 2 years iii) 3 years iv) 4 years v) 5 years +
17	Have you ever used any bank for meeting funding requirements of your business? If Not Why? If Yes, when?	
18	Has the bank ever rejected your loan application? If yes, how many times and why?	

Market Survey – Banking Needs

No	Question	Options
19	<p>What loan products have you used in the past for your business and what has been the average turnaround time for availing the loan facility?</p> <p><i>(Turnaround time is the number of days taken during the bank loan process. From time of approaching bank first time till disbursement.)</i></p> <p>If applicable, go to section 6 question 3 & update</p>	<p>i) Trade finance services / Letters of Credit</p> <p>ii) Letters of Guarantee</p> <p>iii) Personal loan / overdraft</p> <p>iv) Business loan</p> <p>v) Business overdraft/Running Finance</p> <p>vi) Equipment purchase financing/ equipment</p> <p>vii) Vehicle financing (loans, leasing arrangement)</p> <p>viii) Receivables financing (bill discounting, etc.)</p> <p>ix) Business Credit Cards</p> <p>x) Others. Specify: _____</p>
20	What is your loan collateral?	
21	What type of interest rate does the bank charge on your loan facility?	<p>i) Fixed</p> <p>ii) Variable (Please specify percentage)</p>
22	What is the repayment period of your loan	<p>i) Less than 1 year</p> <p>ii) 1 - 2years</p> <p>iii) 3-5 years</p> <p>iv) 5-7 years</p> <p>v) Above 7</p>
23	Do you pay any charges levied by your bank other than interest on your loan account? If yes, against which service?	<p>i) Yes</p> <p>ii) No</p>
24	<p>I have with me some statements related to bank loans. Could you please tell me how satisfied on the following points (Rating 1-10)</p> <p><i>(1 being lowest and 10 being highest level of satisfaction)</i></p>	<p>i) Loan eligibility criteria</p> <p>ii) Collateral required by bank</p> <p>iii) Interest, fees and commissions charged</p> <p>iv) Payment flexibility</p> <p>v) Repayment period</p> <p>vi) Loan amount</p> <p>vii) Installment amount</p> <p>viii) Delay payment penalty charges</p> <p>ix) Speed in processing loans</p> <p>x) Long term current borrowing</p>
25	Is there any financing / funding type required by your organization that is not yet provided by financial institutions? Which are these?	
26	In addition to using a bank account or a loan product, do you, or require to use any of the following other service>	<p>i) Cash management / collection services</p> <p>ii) Money transfer facilities</p> <p>iii) Payroll services</p> <p>iv) Other</p>

Market Survey – Funding Requirements

No	Question	Options
1	Who is in charge of managing funding needs (managing, organizing funds, making payments)?	<ul style="list-style-type: none"> i) General manager ii) Finance manager iii) Accountant iv) Secretary / PA v) Other (specify)
2	What sources do you use to fund your business? Please specify % of funds coming from these sources	<ul style="list-style-type: none"> i) Banks ii) Finance companies iii) Money lenders iv) Family members/Friends v) Own savings vi) Cash flow from this business vii) Cash flow from other businesses I own viii) Government programs/NGOs ix) Other. Specify: _____
3	What are your primary business funding needs? Select from list	<ul style="list-style-type: none"> i) Working capital / Overdraft ii) Long term Equipment financing iii) Project financing iv) Trade Finance v) Business vehicle financing vi) Business Assets vii) Other. Specify: _____
4	What are types of fixed assets that need to be financed?	<ul style="list-style-type: none"> i) Buildings ii) Machinery and equipment iii) Furniture and fittings iv) Office and business equipment v) Others. Specify: _____
5	And what are the types of working capital finance requirements?	<ul style="list-style-type: none"> i) Finance of letter of credit (LC) to import raw material ii) Finance of letter of credit (LC) to import finished goods iii) Letter of guarantee (LG) on the purchase of raw materials or finished products iv) Others. Specify: _____

Market Survey – Other Products

No	Question	Options
1	Which of these insurance products, if any, does your business pay for?	i) Motor vehicle insurance ii) Legal insurance iii) Property Insurance iv) Office equipment insurance v) Medical aid vi) Pension/provident fund vii) Personal injury or accident viii) Travel insurance ix) Professional indemnity x) Workman's compensation xi) Liability Insurance xii) Others. Specify: _____
2	Would you like your bank to propose you any of the above insurance products?	v) Yes vi) No

No	Question	Options
1	Do you obtain professional advise for your business? If Yes: Who? If No: Skip	<ul style="list-style-type: none"> i) Family. Friends, Relatives ii) Business colleague iii) Accountants iv) Lawyers/ professional advisors v) Banks vi) Trade associations vii) Colleges and academic institution viii) Published journals and booklets ix) Other. Specify: _____
2	You mentioned that you relied most on ____ (from question above). Can you tell me why? (several answers possible)	<ul style="list-style-type: none"> i) More knowledgeable, experienced ii) Trustworthy iii) Reputation in the industry iv) Cheaper v) Giving other services vi) Other. Specify: _____
3	Are you currently paying for such business advisory services? If yes, how much?	<ul style="list-style-type: none"> i) No ii) Yes. Cost: _____, frequency: _____
4	How satisfied are you with your business advisory services?	<ul style="list-style-type: none"> i) Extremely satisfied ii) Satisfied iii) Average iv) Not satisfied v) Extremely not satisfied vi) Not applicable
5	What is your opinion on such services being offered by banks? Services= assistance in accounting, brochures on financial planning, treasury management, tax planning, pre-export financing, etc	<ul style="list-style-type: none"> i) Banks have experience in finance ii) Banks have professional staff for such services iii) Can rely on such services offered by banks, as they handle accounts of several other organizations like mine iv) Banks are reputed and will not misguide people like me v) Other advantages vi) Will have high charges for such services vii) Not their core function viii) Prior experience with banks necessary, before going for such services ix) Financial consultants are more knowledgeable in this field x) Other disadvantages
6	Would you pay the bank for such a service	<ul style="list-style-type: none"> i) Yes ii) No iii) No need at all iv) No, already have

Market Survey –Other Information

Ask questions 18 & 19 from Section 1 and then proceed

No	Question	Options
1	What is your education background?	i) No education ii) Some primary school iii) Primary School completed iv) High school v) College/Bachelor degree vi) Post graduate vii) Other (Specify):
2	How old are you?	i) < 20 years old ii) 21 – 30 iii) 31 – 40 iv) 41 – 50 v) 51 – 65 vi) > 65
3	Who will take over the business after you?	iii) Son / Daughter iv) Brother or other family member v) Friend Others: (Please specify):
4	Which language do you speak and write?	i) English ii) Urdu iii) Sindhi iv) Other _____
5	Which channels do you use for communicating with your suppliers or customers?	i) Personal visits ii) Visits by an employee iii) Fax iv) Telephone v) Email vi) Courier vii) Other (Please Specify) _____
6	Do you provide any technical / professional training to your staff? If yes from whom?	i) Yes ii) No
7	Where do you see your business and/or your industry in the next five years?	