

## UKBB 110 July 2007 Analysis

The July survey asked for panellists' views on congestion on the roads, home working, switching off machines, 'complementary businesses', securing funding, the need to approach a business adviser, websites, and Ministers for specific UK regions/cities

### About the respondents

The UK Business Barometer surveys the people running small and medium size businesses. In the July survey, 122 respondents were drawn with the following population characteristics:

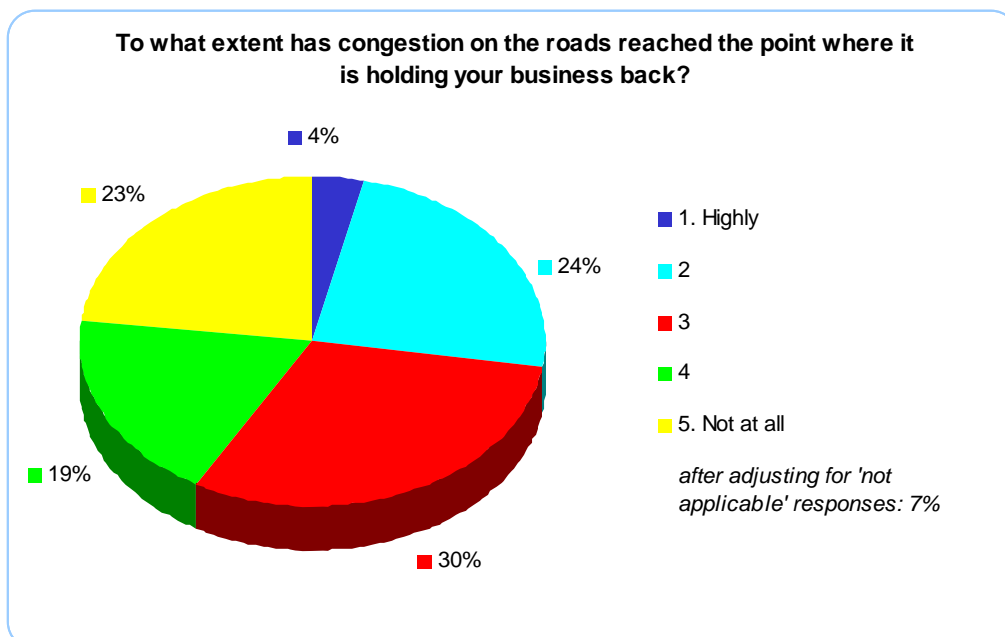
Sector			
Production & Manufacturing	Distribution	Services	Total
26%	8%	66%	100%

Turnover (£)			
< 1M	1M - 3M	> 3M	Total
66%	18%	16%	100%

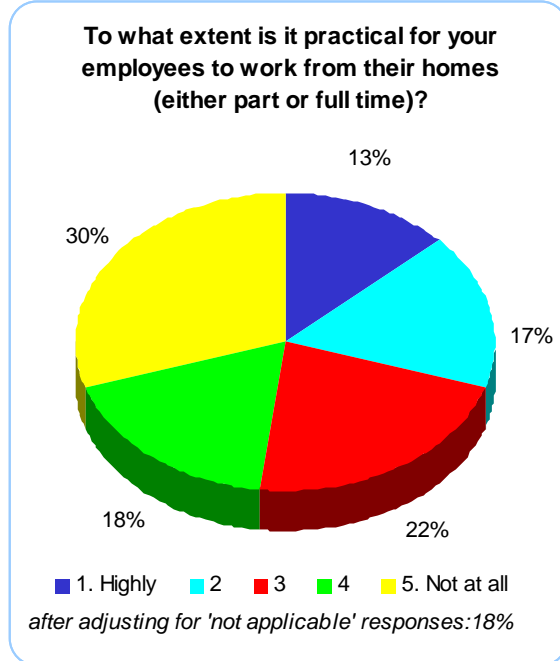
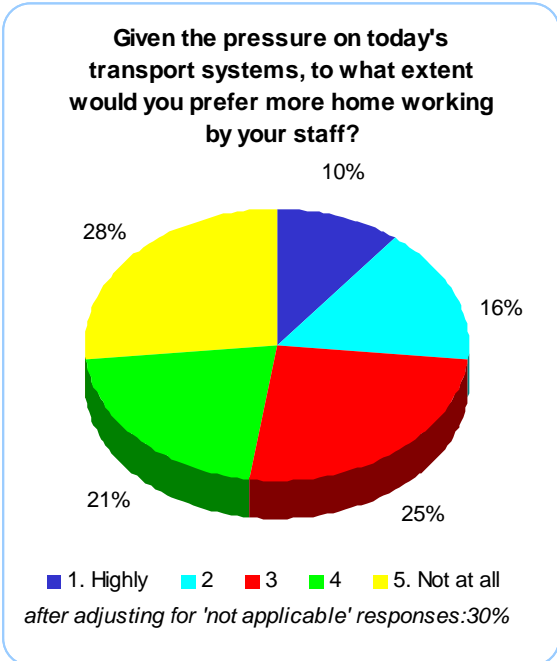
Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
60%	23%	9%	4%	4%	100%

### Survey findings

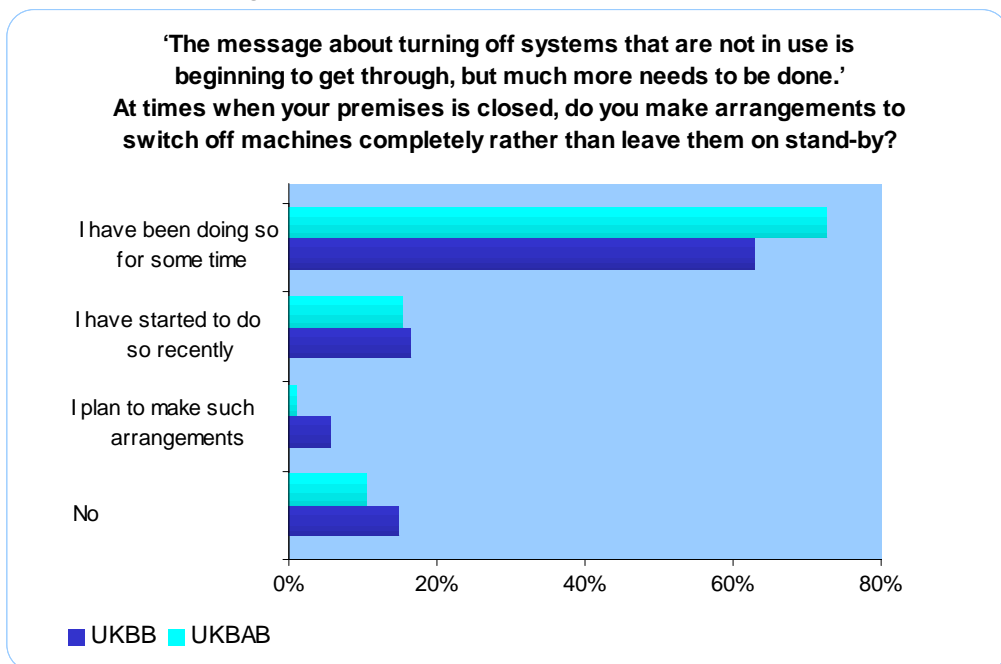
Road congestion is holding back over three quarters of the UKBB's respondents' businesses (after adjusting for 'not applicable' responses). While only 4% said this is to a high extent, 24% selected the next highest category - but 23% said that there is no effect on their businesses.



Increased traffic congestion together with insufficient public transport and increasing awareness of the cost of fuel pollution all contribute to increasing pressure on today's transport systems. In 2006-2007 the number of passengers travelling by train grew by 7.5%<sup>1</sup>. Numbers of vehicles registered for use on UK roads continued to climb as did estimated traffic levels, while the average vehicle delay on the slowest 10% of journeys increased by 8.7% compared to 2004-2005<sup>2</sup>. It is not surprising that over one quarter of respondents say they would highly or relatively highly prefer more home working by their staff and 30% say that it would be highly or relatively highly practical for their staff to do so.



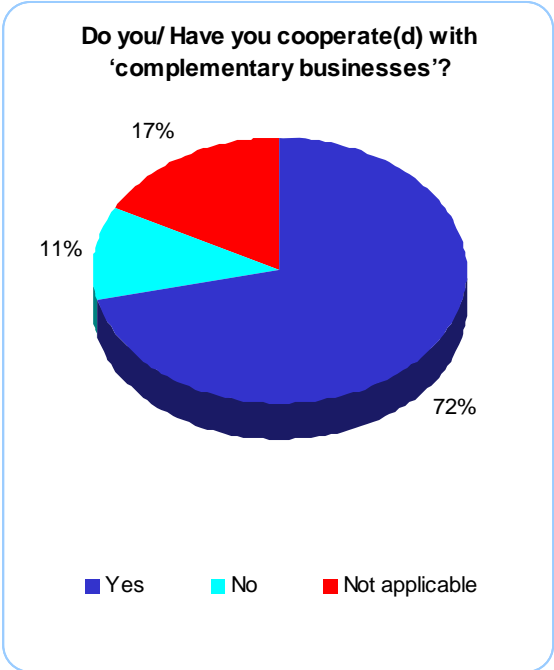
The Green Technology Initiative has been set up to encourage the reduction of firms' carbon footprints particularly by reducing power used by IT equipment. Panellists of both the UKBB and the parallel survey of business advisers, the UKBAB, were asked the same question and it seems that the majority of respondents to both surveys are well aware of the savings to be made from switching off machines rather than leaving them on standby since only 15% of UKBB respondents and 11% of UKBAB respondents say they don't switch off. 22% of UKBB respondents and 16% of UKBAB respondents are recent converts, either having started to do so recently or planning to make such arrangements, while 63% of UKBB and 73% of UKBAB respondents have been doing so for some time.



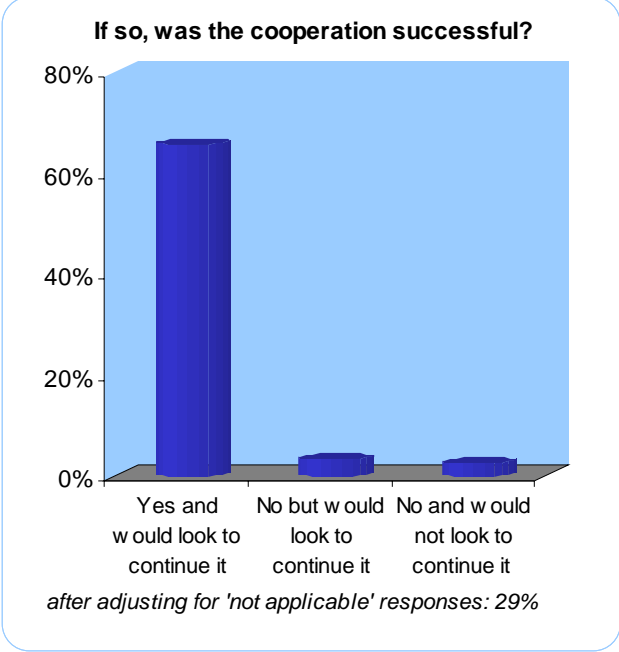
<sup>1</sup> National Rail Trends Yearbook 2006-2007 Office of Rail Regulation

<sup>2</sup> Road Statistics 2006: Traffic, Speeds and Congestion – Department for Transport

UKBB panellists were asked about their experience of working with businesses whose products are complementary to their own.



71% of respondents said they have worked with complementary businesses and of those that have, 92% have found it to be successful (66% of total respondents). All of these would continue to work with these businesses.

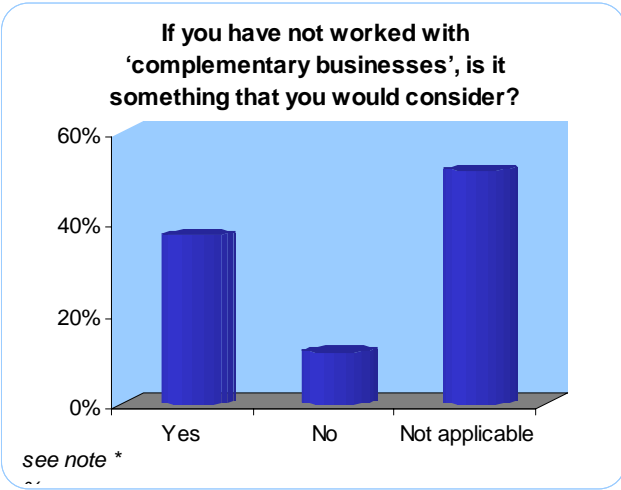


Amongst the 8% of the respondents with experience of working with complementary businesses who didn't find it successful, over half (57%) would still look to continue to work with them.

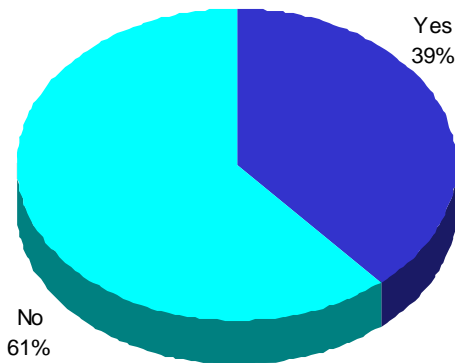
The idea of working with complementary businesses attracted substantial interest among those who were not able to say that they have tried it. The 28% of respondents who have not worked with complementary businesses were in two groups – those who said this idea is not applicable to them (17% of total respondents) and those who have not tried it (11%).

Out of the latter group, who have not tried it, 86% would consider it (9% of total) and even amongst those who think the idea is not applicable, 10% would consider it (2% of total). Taking both of these groups together, 37% of them said they would consider working with complementary businesses.

*\* Note: the chart on the right covers all the respondents who responded 'no' or 'not applicable' to the question: Do you/ Have you co-operate(d) with 'complementary businesses'?*



**Have you had to pass up business opportunities because you have not been able to secure funding in time or secure it at all?**

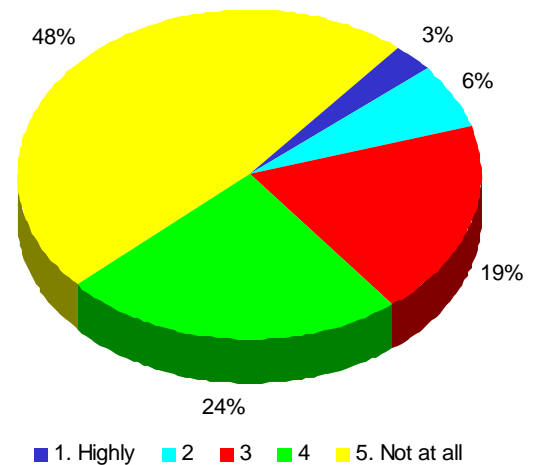


*after adjusting for 'not applicable' responses: 24%*

Recent research has highlighted that if businesses in England are to get the right funding for opportunities that come their way, their financial advisors are going to have to improve the support that they give in order to help them secure the right funding packages. Nearly 40% of respondents to the July UKBB survey have had the experience of having to pass up business opportunities because timely funding was not available.

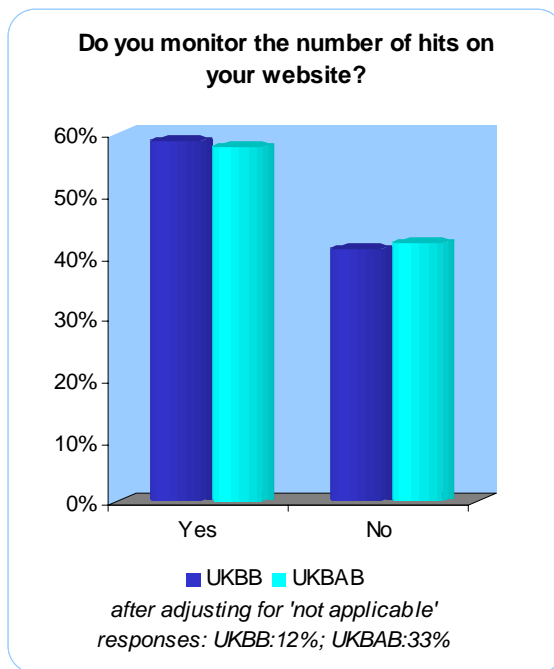
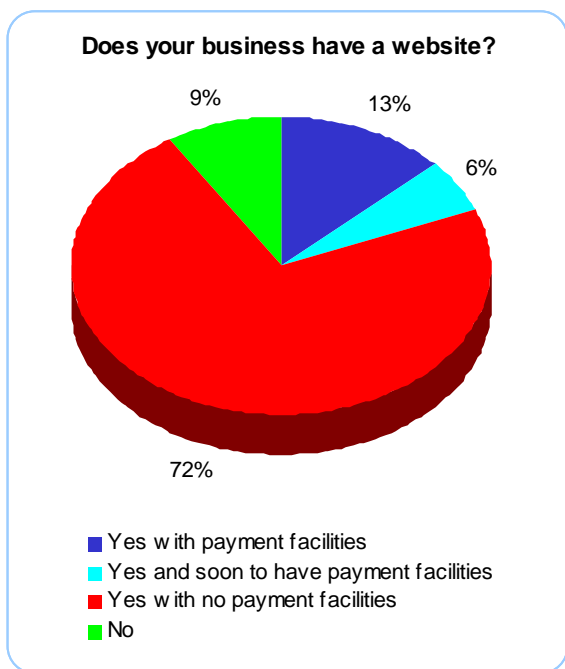
In previous surveys the UKBB has researched into where smaller businesses look for advice and found that there is a wide variety of sources used for different purposes at different times. Businesses themselves may not want to be in touch with a business adviser as a regular routine but to what extent do businesses perceive consulting business advisers as a mark of their own inadequacies? In response to this question nearly three quarters of respondents said that they do not regard the need to consult a business adviser as a reflection of their businesses' shortcomings, either at all or to any great extent.

**To what extent do you regard the need to approach a business adviser as a reflection of your business's shortcomings?**

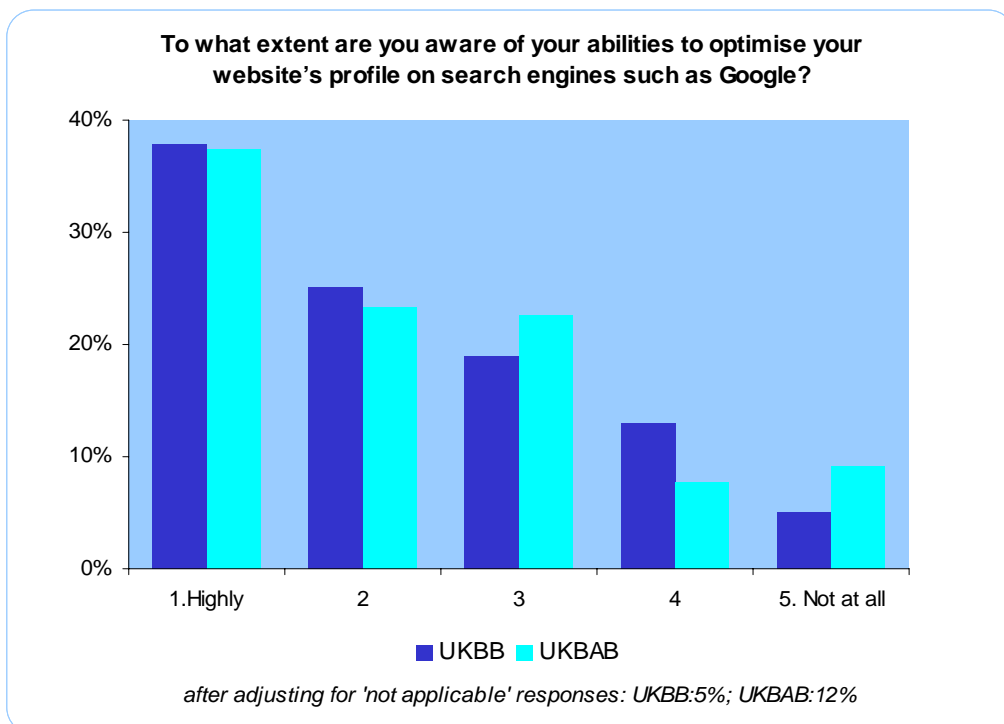


*after adjusting for 'not applicable' responses: 11%*

The July survey included four questions about use of the internet for business sales and publicity. With a reported 80% increase in online retail sales in July 2007 over July 2006<sup>3</sup>, the internet is now becoming far more important as a marketplace for goods and services. Less than 10% of respondents to the July UKBB do not have a website, but only 19% so far either have or are planning to have payment facilities within their websites. 59% of UKBB and 58% of UKBAB respondents monitor the number of hits on their websites (after adjusting for 'not applicable' responses).

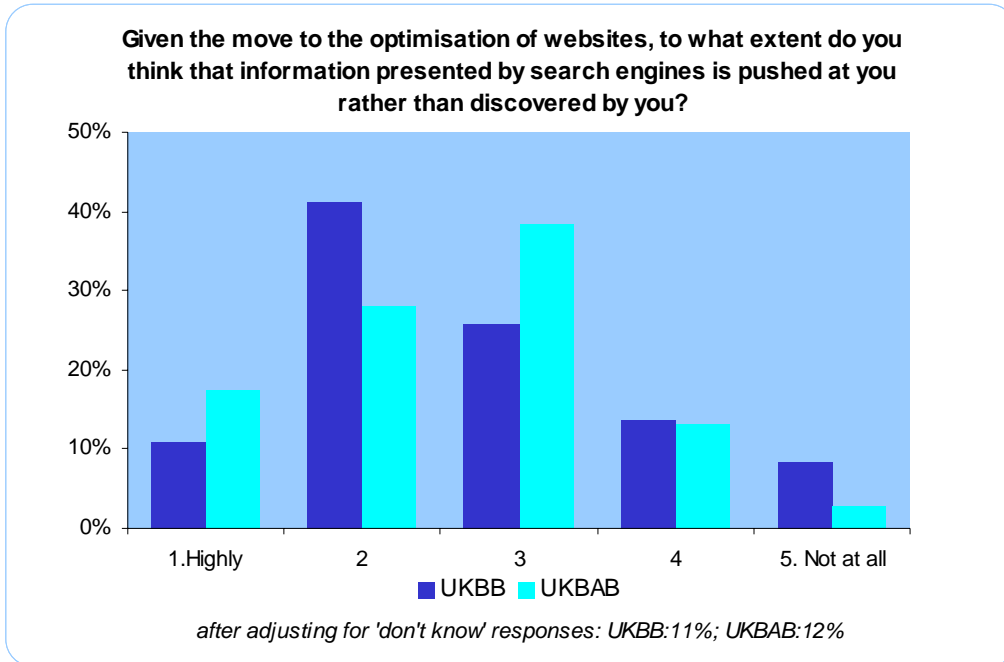


As the number of businesses with websites increases and the sophistication of search machines also increases, it becomes more difficult to ensure that a website receives visitors. Website optimisation is becoming more of a practical necessity. Panellists of both the UKBB and the parallel survey of business advisers, the UKBAB, were asked how aware they were of the possible optimisation of their own websites for search engines. Although 63% of UKBB and 61% of UKBAB respondents said they were highly or reasonably highly aware, there is clearly a potential for more information to help smaller businesses and business advisers in this area.

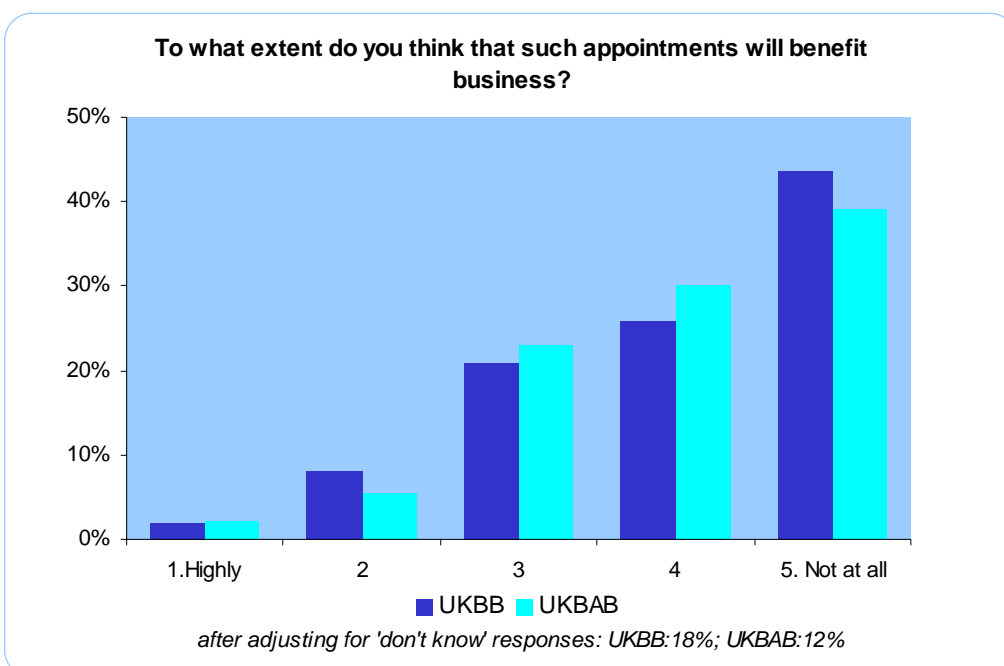


<sup>3</sup> IMRG e-Retail Sales Index Press Release 20 August 2007

From the point of view of users of search engines, optimisation techniques may result in some search results that are less helpful than in the past because they pick up some 'optimised' entries that are much less relevant and display them near to the tops of entry lists. After adjusting for 'don't know' responses, 52% of UKBB respondents and 45% of UKBAB respondents thought, to a high or relatively high extent, that search engine information is pushed at searchers rather than discovered by them. 22% of UKBB respondents and 16% of UKBAB respondents disagreed, choosing the 'not at all' category or category 4.



Appointments were made recently of Ministers and Shadow Ministers for specific UK regions and cities such as the East Midlands, Nottingham and Leicester. Regional ministers' functions undertaken will be "clustered around the Government Offices and Regional Development Agencies particularly in relation to economic development."<sup>4</sup> At present, only 10% of UKBB and 8% of UKBAB respondents to their respective surveys think that such appointments will benefit business highly or relatively highly and 69% of respondents to each of the surveys think that there will be no or very few benefits.



<sup>4</sup> The Governance of Great Britain Green Paper, July 2007

Listed below are some of the personal views supplied in feedback received from respondents to Survey BB110 July 2007

*Comments are listed under sector headings.*

**Views expressed are those of individual panellists and may not represent those of the University.**

### **Production and Manufacturing**

Business needs more Ministers and government departments like a "hole in the head". In almost all cases government needs to get out of the way of business and let us create wealth and the tax base to pay for all the non wealth creators. We appear to be moving back towards the "politics of envy" - a very bad trend.

I'm interested in more questions about company websites. Perhaps delving into subjects such as security, online trading (selling of products/services), website design (who a company involves in setting one up or maintaining one) and possibly moving off at a tangent, but asking questions about I.T. security in general.

Point (Question) 12 Only time will tell!

***Q12. Appointments were made recently of Ministers and Shadow Ministers for specific UK regions and cities such as the East Midlands, Nottingham and Leicester? To what extent do you think that such appointments will benefit business?***

### **Business Services**

The 'Regions' of England only exist in the minds of politicians and civil servants. Glossop has nothing in common with Northampton but a great deal in common with the other mill towns throughout the north. You cannot 'command' a capitalist economy to operate within artificial geographic boundaries.

Where on earth is question 7 coming from? Can anyone in this day and age really believe it is preferable to fail rather than succeed through outside assistance?

***Q7. To what extent do you regard the need to approach a business adviser as a reflection of your business's shortcomings?***

Q12 only time will tell but have doubts that any significant benefit will be seen

***Q12. Appointments were made recently of Ministers and Shadow Ministers for specific UK regions and cities such as the East Midlands, Nottingham and Leicester? To what extent do you think that such appointments will benefit business?***

### **Construction**

In question 5, isn't there an issue regarding tax revenue, including VAT, if companies do this?

***Q5. Do you/have you worked with 'complementary businesses' (not your competitors, but companies whose products or services complement your own) on a quid pro quo basis?***

### **Motor Trade**

Web Site still being developed. As my business is dependant on vehicle clutch wear. Vehicle congestion is good for business. Not probably a normal trend.