

UKBB 108 May 2007 Analysis

For the May survey we invited panellists to give their views on what is the most important problem facing your business, what is important for stimulating business, a series of questions on the theme of advice, business plans, the 'buzz' of entrepreneurship, plus retirement and other work related questions.

About the respondents

The UK Business Barometer surveys the people running small and medium size businesses. In the April survey, 116 respondents were drawn with the following population characteristics:

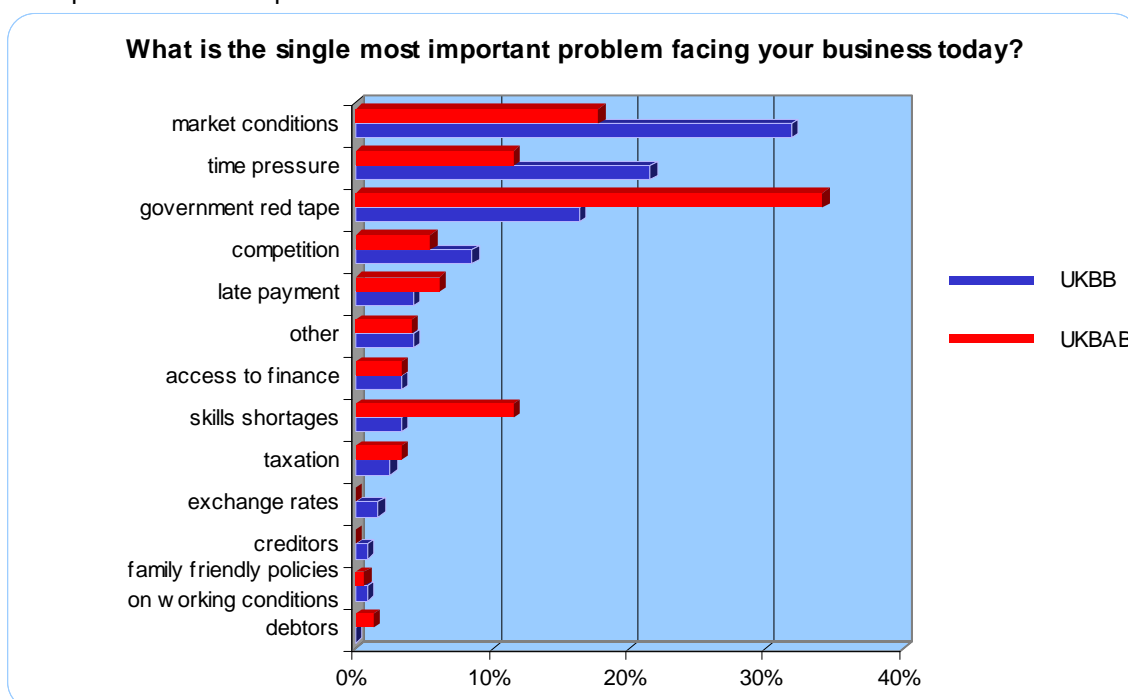
Sector			
Production & Manufacturing	Distribution	Services	Total
25.0%	7.8%	67.2%	100.0%

Turnover (£)			
< 1M	1M - 3M	> 3M	Total
69.0%	16.4%	14.7%	100.0%

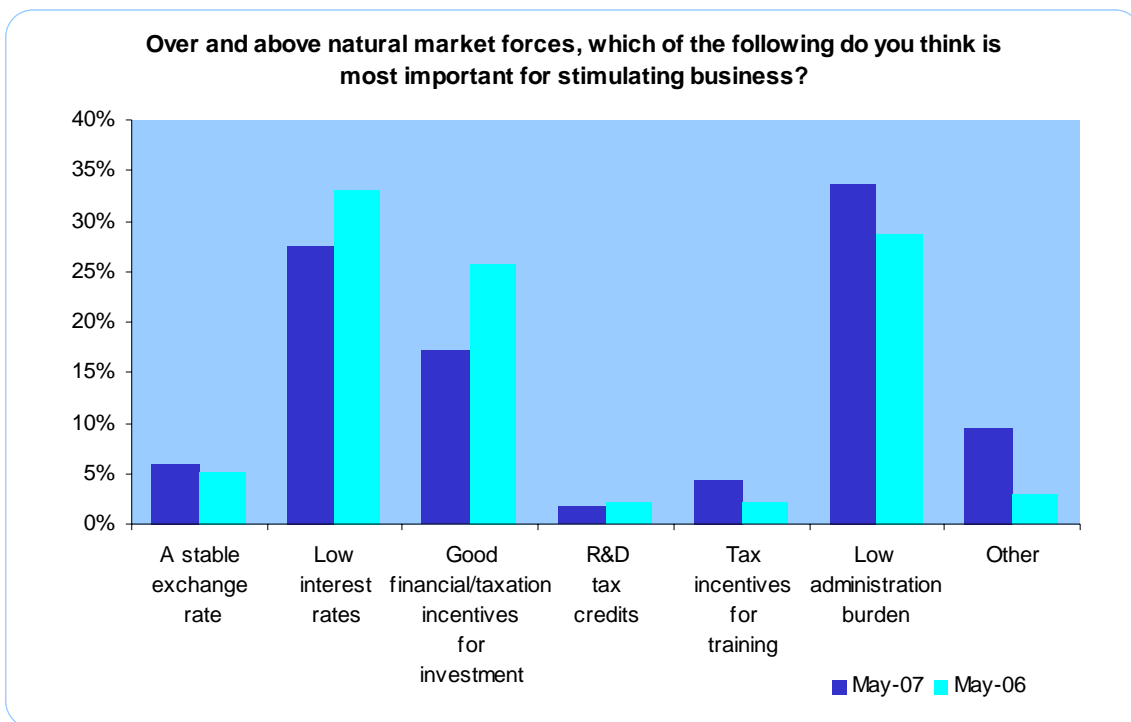
Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
60.3%	24.1%	8.6%	2.6%	4.3%	100.0%

Survey findings

This month we took a look at views of "the single most important problem" for smaller businesses. 32% of respondents said that market conditions are most important. Red tape came out third with 17%, below time pressure, 22%. In our parallel survey of Business Advisers, the UKBAB, we asked Advisers what the most important problem facing business is, and red tape came out top with 34%.

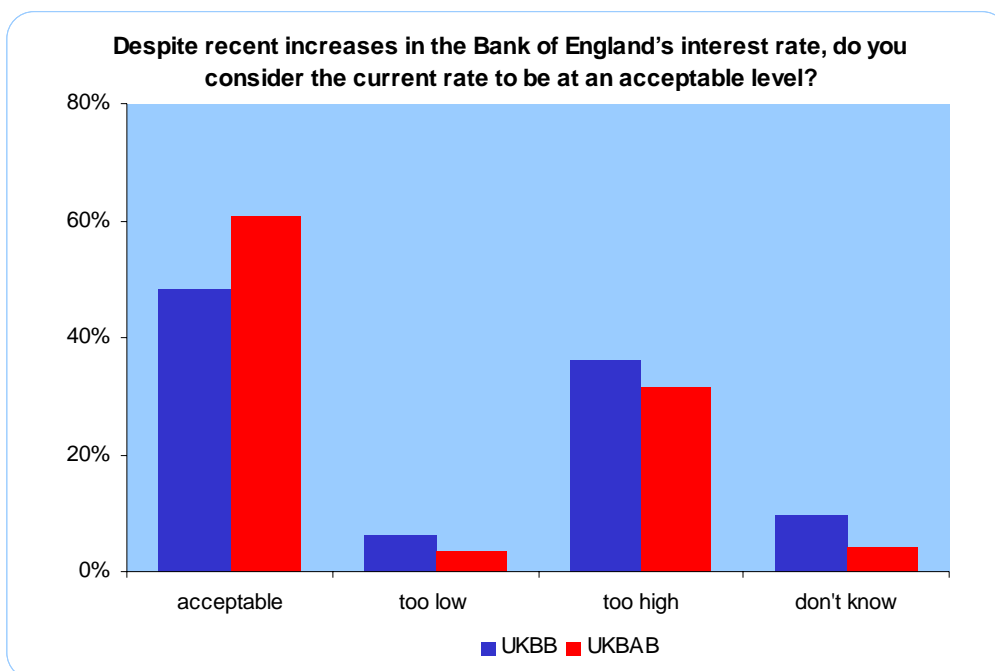


When asked to select the single most important factor for stimulating business, 34% of UKBB respondents chose a low administration burden, while 27% chose low interest rates. These two factors were also the most selected ones when the same question was asked a year ago. Business Advisers who were surveyed through the parallel UK Business Adviser Barometer also picked out the areas of interest rates and burden of administration as being important for stimulating businesses.

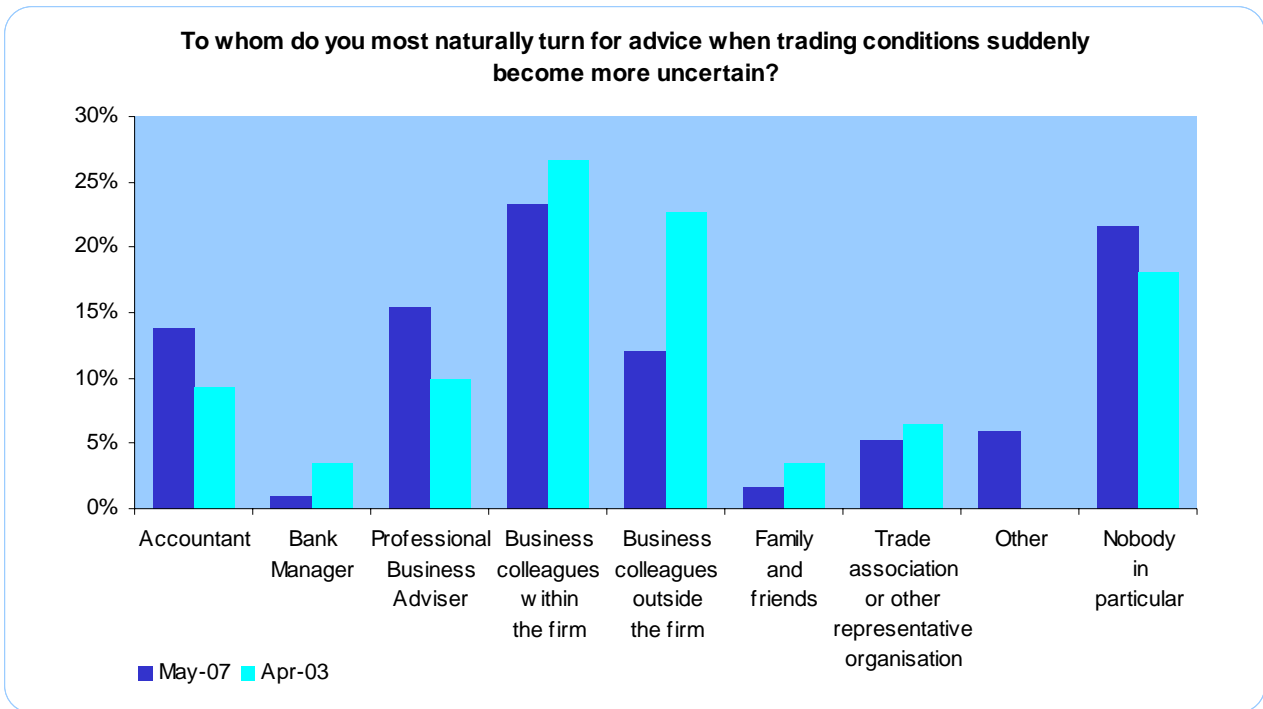


In May, the Bank of England raised its interest rate for the fourth time since July last year, reaching 5.5% - an increase of 1% over the period. With many financial sector economists predicting that a further increase is likely, panellists were asked whether they find the current level of interest rate acceptable. The same question was asked in the parallel survey of Business Advisers, the UKBAB.

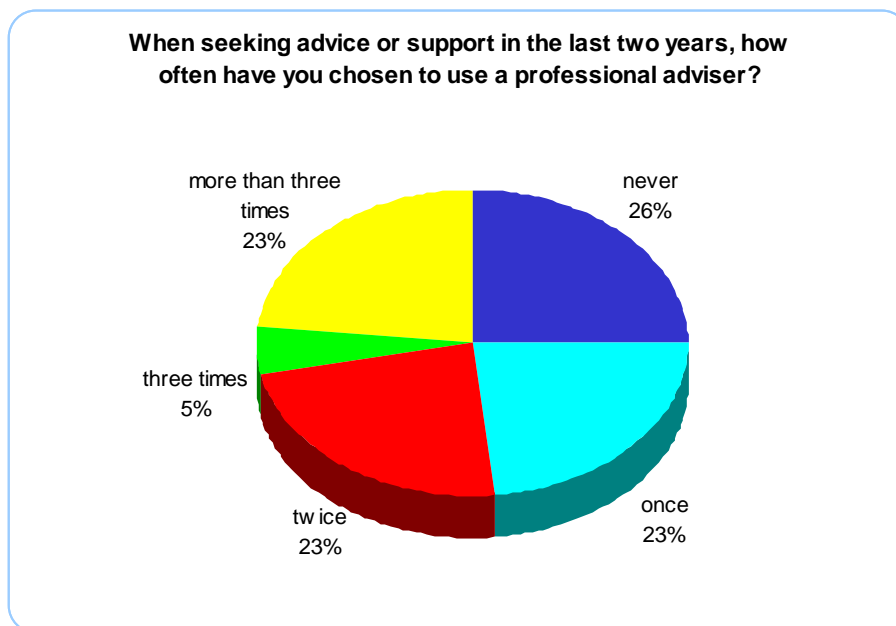
36% of UKBB and 32% of UKBAB respondents consider the current rate to be too high, although 48% of UKBB and 61% of UKBAB say that it is acceptable.



A question last asked in the April 2003 Survey was about the most favoured source of advice in uncertain business conditions. A new potential choice this time was 'Other' and this was the choice of 6% of respondents. Although 22% can think of nobody in particular, more respondents favoured accountants and professional business advisers than last time. 'Business colleagues within the firm' was the most popular, chosen by 24% of respondents.

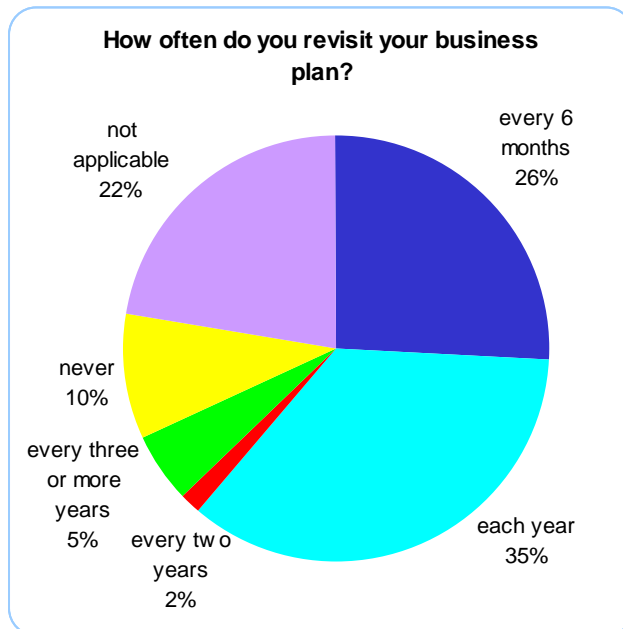
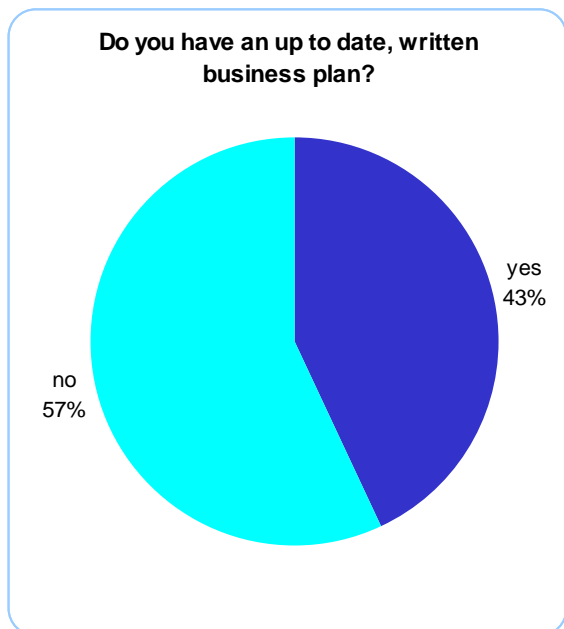


The majority of respondents to the UKBB use professional business advice, as shown by the responses to our question on use over the past two years. 74% have used a professional adviser at least once, and nearly a quarter have used advisers more than three times over the last two years.

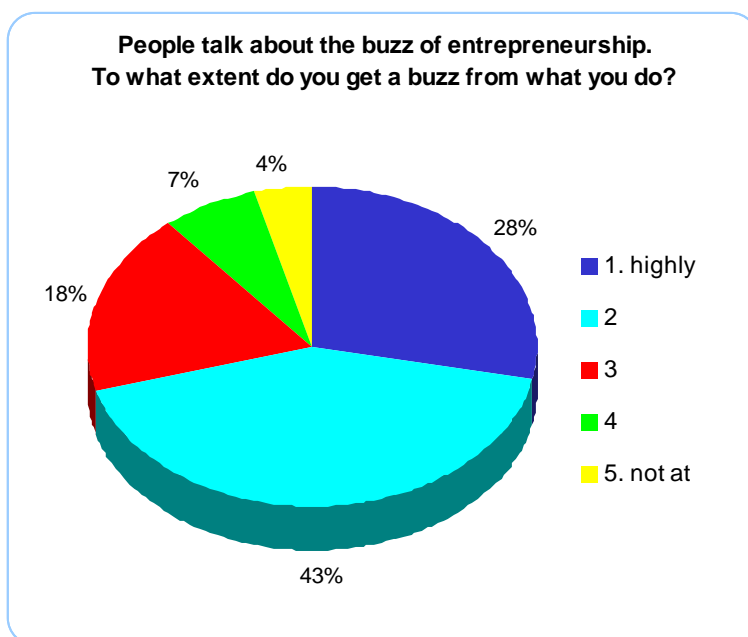


Respondents to the parallel UK Business Adviser Barometer frequently emphasize how important it is for businesses to make and maintain an up to date Business Plan. This month we asked our UKBB panel of smaller businesses whether they have an up to date business plan, and if so, how often they revisit it.

Less than half of the respondents said that they have a business plan that is up to date. This may be because 35% of respondents only revisit their Plan once a year, while 7% revisit even less frequently and 10% never revisit. Around one quarter look at their plans every six months.

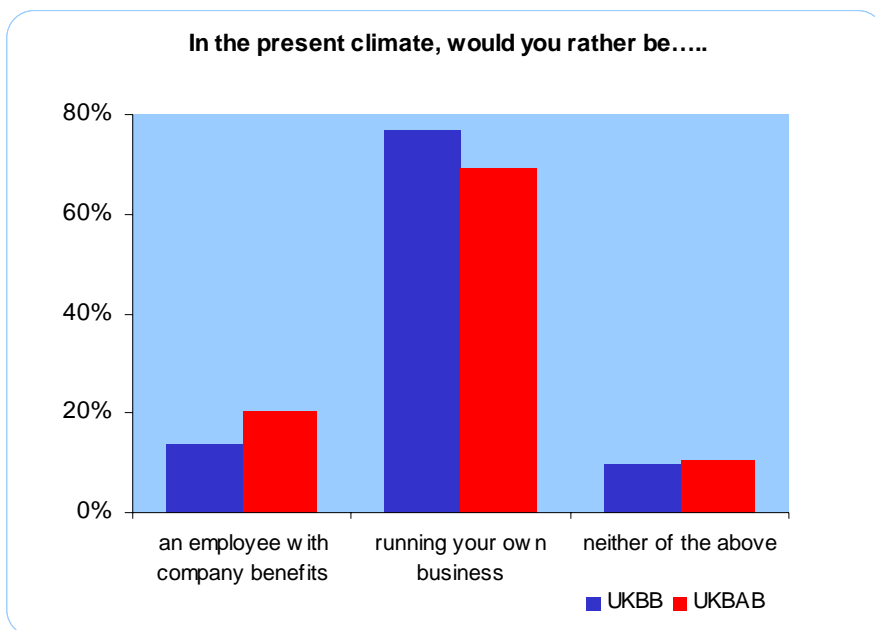


There are many role models for innovators and entrepreneurs, and recent surveys have found that significant numbers of people aspire to run their own businesses. The UKBB surveys people who are already running smaller businesses ranging from new start-ups to those who have been trading for many years. Over 70% of respondents say that they very much get a buzz from what they do:

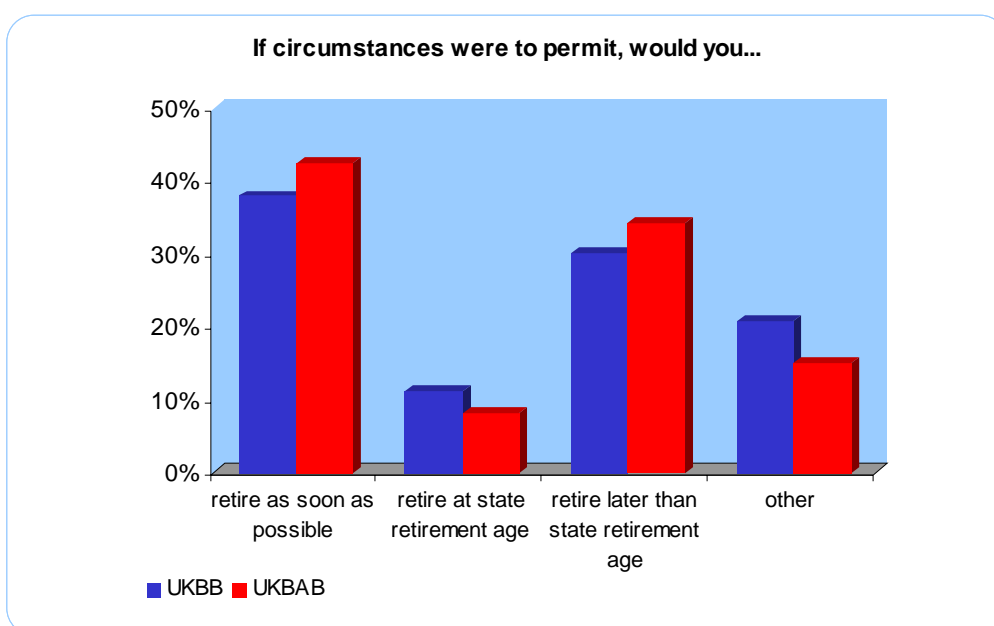


We also asked what our panellists find to be the most exciting thing about running their own businesses. As expected, there was a wide range of responses but some groups emerged. Recurrent themes included: control of one's own destiny, success, freedom, being one's own boss, challenge, satisfaction, profit and winning. There were also some more negative reactions, reflecting the balance of responses in the previous question: 'the excitement has gone...' etc.

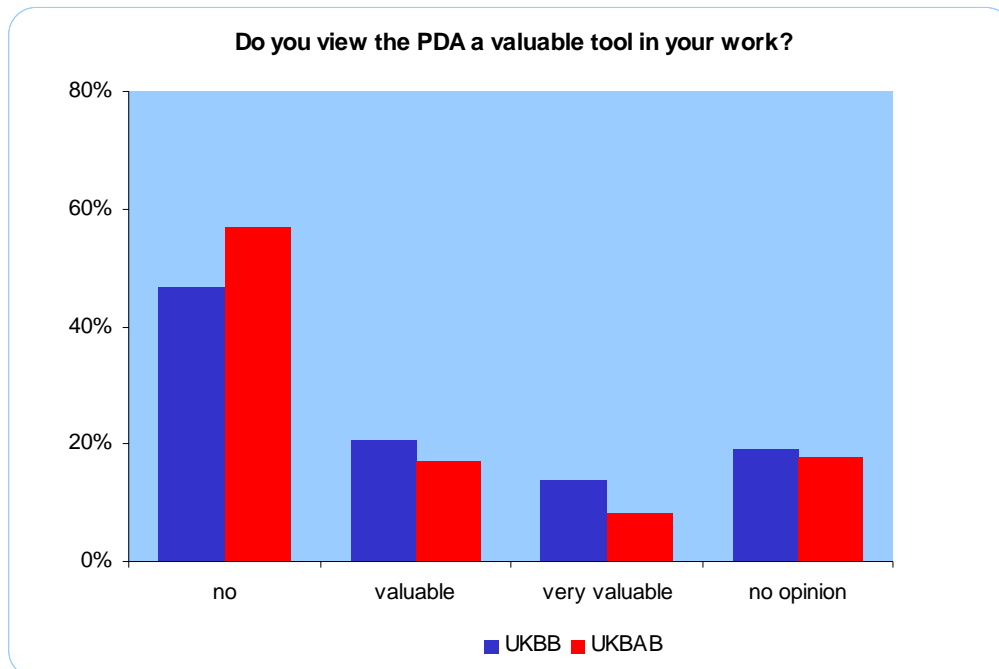
Asked what they would rather be doing in the present climate, 77% of respondents said they would rather be running their own business while 14% said they would rather be an employee with company benefits. We asked the same question in the parallel survey of Business Advisers, the UKBAB and 69% of respondents to that survey also said they would rather be running their own business, while 20% said they would prefer to be an employee with company benefits.



A final question in the series asked when, ideally, panellists would like to retire. It seems that state retirement age has little interest for either UKBB or UKBAB panellists, since 38% of UKBB and 42% of UKBAB respondents say they would like to retire as soon as possible, and 30% of UKBB and 34% of UKBAB respondents would like to go on working after state retirement age. The actual percentages that would like to retire at state retirement age were quite low: 11% of UKBB respondents and 8% of UKBAB respondents.



PDA's (Personal Digital Assistants) have been widely available in the UK for well over seven years now, and like other electronic devices they have massively increased in computing power and capability every year. Converts use them intensively, but amongst respondents to the UKBB there is not such widespread enthusiasm. 47% said that the PDA was not a valuable tool for their work, although 14% find it very valuable and 21% rate it as valuable. Amongst the Business Advisers responding to the parallel UKBAB survey, an even higher percentage (57%) said that the PDA was not a valuable tool for them.



Listed below are some of the personal views supplied in feedback received from respondents to Survey BB108 May 2007

Comments are listed under sector headings.

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

Business Services

[Response to Q 12. on the theme of technology (specifically the PDA) and its usefulness to business] - Technology is great and helpful if it works and is applicable to your business. Sometimes there is so much technology and [it is] so complicated that the "Help Factor" of the equipment is missed. There should be more free training for people who are trying to cope with technology.

Finance/Property

[Response to Qu2 on the theme of helping/ stimulating business?] - Too much nanny state legislation from Europe. All it does is grow the legal profession

Included below, in alphabetical order, is the full list of responses received to question 8:

'What is the most exciting thing about running your own business? [Please use the space below, entering N/A if not responding. Thank you.]'

The main themes touched upon were:

Boss	4
Destiny	8
Reward	4
Challenge	7
Control	10
Stress	3
Satisfaction	2
Success	8
Winning/win	5
Profit	4
Survive/survival	1
Independence	3
Freedom	11
People	6
game	2

The responses:

"Playing The Game" That is how I see running a business, it's a game that I play along with my team against customers, suppliers, and anyone else we engage with. Sometimes you win, sometimes you loose, but it is so rewarding when the team wins.

Making a positive difference to lives of the learning disabled adults I care for. 2. Seeing my staff team's skills develop as a result of my training and encouragement.

Be your own boss

Being in control of own destiny.

Being in control of what I do with the business - being "in charge"

Being my own boss, and getting the reward for my own efforts.

being responsible for your actions

Being your own boss

building something tangible and worthwhile from just an idea

Can decide own day/priorities.

Choice of work focus, choice of clients, flexible working, recognition of expertise, ability to rapidly respond to market trends and change business capability in response, lack of big business administration, freedom to act when and how I like.

Closing a deal

Controlling my destiny

Controlling ones own life in terms of time pressures with the ability to take time off when and how you want without having to ask.

Developing new products and new markets.

Development of new products

Doing the things I love to do.

dynamic

Enabling team members to achieve extraordinary things

Every day is a new challenge

Excitment isn't a word that I would use.

Feeling in control

Financial incentive and generalbusiness reward and the people one meets

Flexability, not having to work to a set business plan dictated by others, knowing where the buck stops and using this to get the winning hand in the poker game called "business".

freedom

Freedom and flexibility

Freedom from demands of financed based shareholders

freedom to chart own course

Freedom to choose and respond to changes quickly

Freedom to make decisions

Freedom to make decisions

Freedom to make sensible decisions quickly.

Freedom to plan your own time.

Freedom. Challenges. Opportunity. (Neil Sanderson)

Getting work that is stimulating, manageable and profitable.

Going into lots of different types of organisations.

Having a direct influence on success or failure.

Having control and responsibility

Having control of your own destiny (good or bad - at least it's in your hands)

Having some control over what I do and when. It comes at a high price in stress though. Having the control of your own future in your own hands as far as is humanly possible. Seeing the success or otherwise of your own projects taking shape before you. Seeing the public responding positively by buying your new products.

I am in control and have flexibility to work when I want too

I wouldn't have said anything was particularly exiting
identifying a gap in the market and filling it creatively.

in charge of one's own destiny

Independence

Independence and Flexibility

Independence, master of own destiny.

It's MY success

making a profit

Making it up as I go along and doing things better my way!

Master of one's own destiny!

meeting new people and helping organisations through the challenges ahead.

Never having to ask permission

Not going to the same place every day to work for the same company every day.

Not having to rely on other people telling you what to do.

Not having to take orders from idiots and overpaid fools.

Not reporting to a corporate buffoon.

Not self employed

NOTHING REALLY - TOO MUCH STRESS

Organising my own vision and plans. Talking to customers and relationships with clients. Taking on the market challenges and trying to work it out for a successful outcome

Being your own boss (apart from government, bank, revenue, vat, employment rights etc etc

Personal challenge and risk

Persuading an MD to buy what he and I have agreed is necessary to improve his/her business.

rate of change

responsibility

Rewards

Satisfaction producing original work, enjoying the customers appreciation.

SATISFYING PEOPLES NEEDS

Seeing customers grow in wisdom

seeing it grow and prosper

Seeing products that you have developed being used and recommended by large companies all over the world.

selling to great global corporations and seeing them use our product successfully

Successful business leads to better standard of living than being employed

SURVIVING

The ability to influence wholly the course of future events.

The cut and thrust Making things happen by putting deals and developments together.

the excitement has essentially gone, I now see it 'as my job'.

The excitement of reaching my vision and the fact that every day is different

The feeling of success when things come to fruition

The independence

The prospect of retirement

Variety of clients, flexibility, decision making, seeing people succeed with my help

What? Apart from the hard work, long hours, constant worry and lack of sleep? Being captain of one's own destiny I guess! ;-)

Winning Orders

Winning orders, delivering on time....and collecting the moolah

Winning the business, delivering the benefit

Work hard for my own profits!!!, and to have more influence over who my customers and suppliers are

Working on transnational projects and meeting wonderful people from across Europe.

You can make things happen