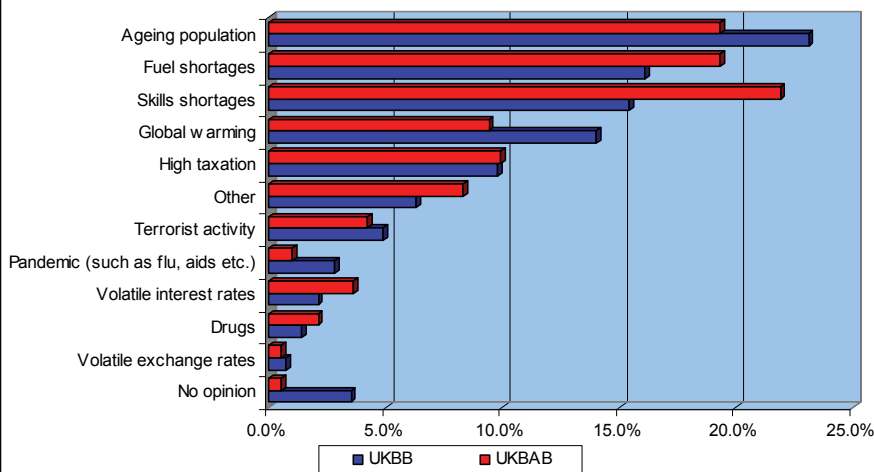


**Ageing population chosen as biggest threat to UK economy over next 10 years.**

Britain's ageing population is the single biggest threat facing the UK economy over the course of the next decade according to UKBB panellists. Fuel and skills shortages were seen as the next biggest worries but, as the second of the two graphs shows, the order changed when respondents were asked to take a shorter term, two year, view.

**In your opinion, what is the biggest threat facing the UK economy over the next 10 years?**



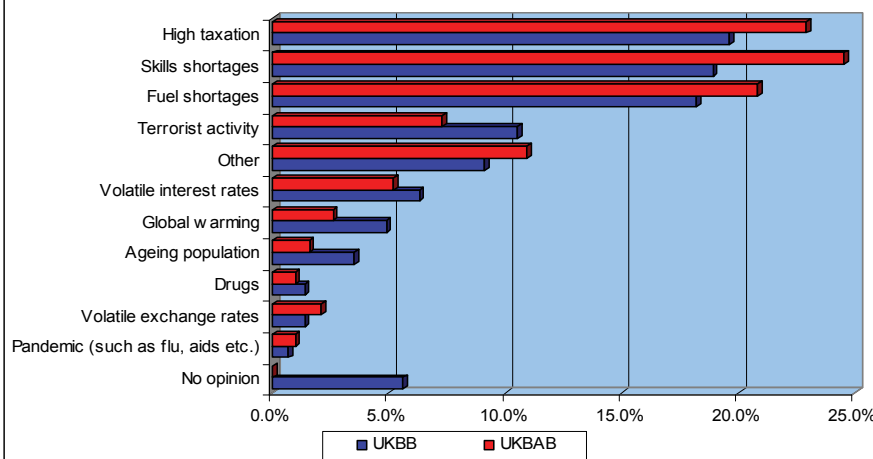
**The panellists' view:**

The questions prompted a number of comments suggesting other sources of threat such as unpredictable governmental actions (e.g. recent postponement of the plans to introduce compulsory Home Condition Reports), fear of being led into another regional war, exclusion from government strategies of the economic impact of SMEs, EU regulations, red tape, and the threat posed by the economies of China and India

**In the shorter term, skill shortages are seen as the greatest threat.**

Both UKBB and UKBAB respondents placed the same threats in the top three in the shorter term, although advisers placed skills shortages above high taxation and both put fuel shortages in third place.

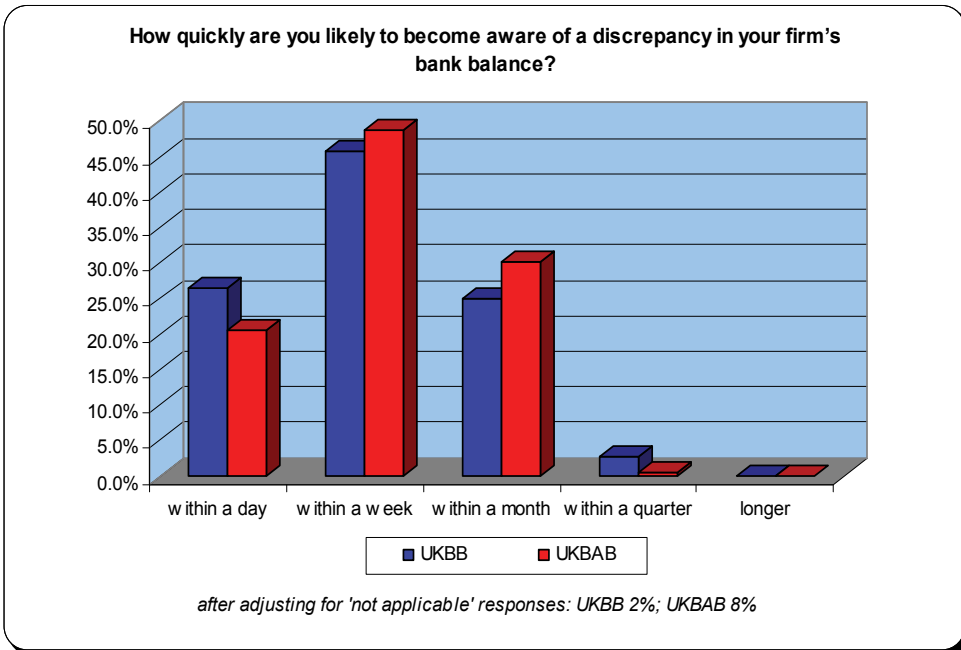
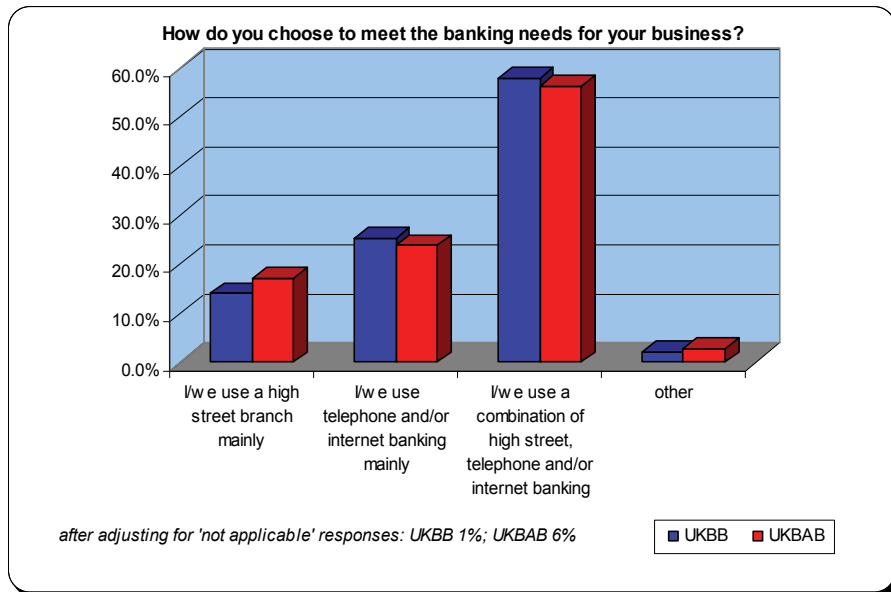
**In your opinion, what is the biggest threat facing the UK economy over the next 2 years?**



> KEYNOTES FROM JULY 2006 - BB98

High Street, Telephone, Internet— what is your preferred method of banking?

When asked how panellists use their banks, 14% said that they mainly use a high street branch while 25% mainly use telephone or internet banking. 17% of UKBAB respondents mainly use a high street branch, 24% of them mainly bank via telephone and/or internet banking. In both surveys over half of respondents use all three approaches: 58% of UKBB respondents and 56% of UKBAB



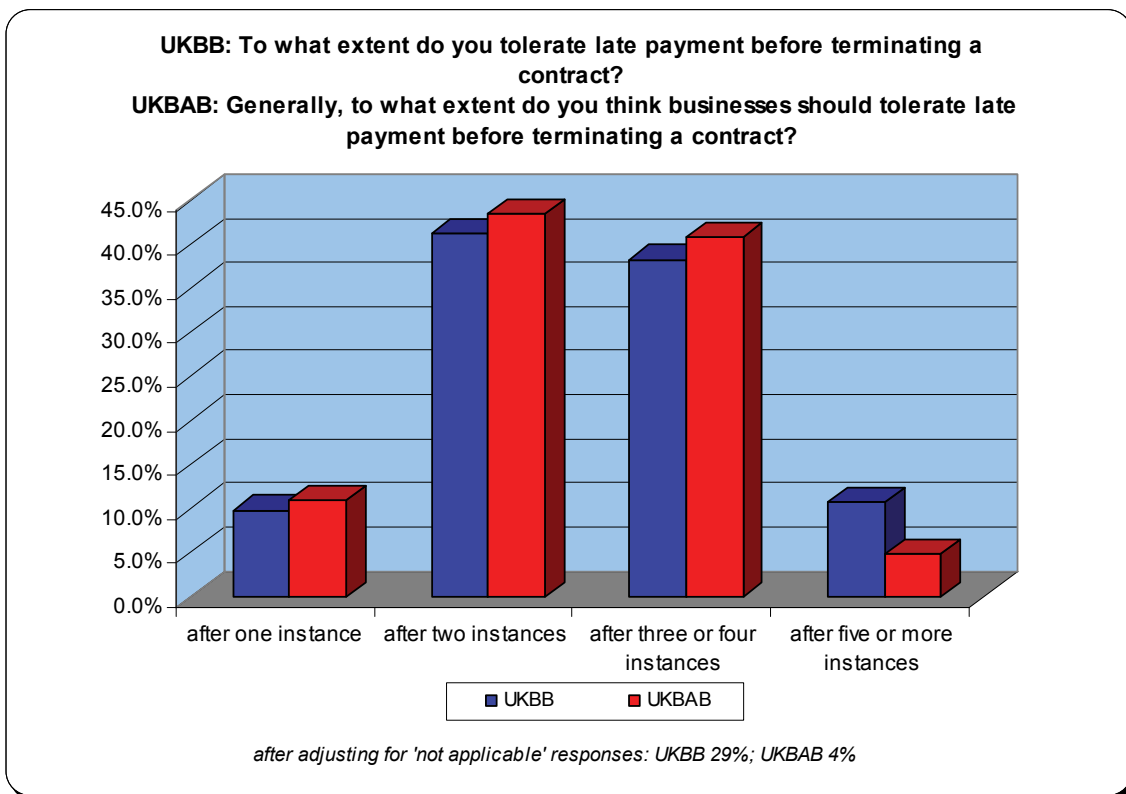
How often do you check your bank balance?

With the advent of online banking, immediate access to bank statements became available at any time of day. 26% of UKBB respondents and 21% of UKBAB respondents say they are likely to become aware of any discrepancy in their firm's bank balance within a day, with a further 46% from the UKBB and 49% from the UKBAB putting the timing at within a week.

> KEYNOTES FROM JULY 2006 - BB98

**How tolerant are you of late paying customers?**

In February 2006 we asked to what extent late payment is an issue for responding businesses. Reports have suggested that businesses in the UK have increased average payment times considerably over the last seven years, since the introduction of the Late Payment of Commercial Debts Act (1998), which was designed to deter such behaviour.



**Once or twice is enough for most.**

With 60% of respondents saying back in February that late payment is a significant or reasonably significant issue for their business, we asked this month at what point respondents would be likely to terminate contracts with late-paying customers. The finding was that although 29% said this wasn't applicable to them, out of the remainder 51% would only tolerate one or two instances of late payments before terminating contracts.

In the parallel Business Advisers survey we asked where advisers think businesses should draw the line. After adjusting for the 4% who said this question was not applicable, 54% said after one or two instances.

> THE QUESTIONS - JULY 2006 - BB98

- Q1. In your opinion, what is the biggest threat facing the UK economy over the next 2 years?
- Q2. In your opinion, what is the biggest threat facing the UK economy over the next 10 years?
- Q3. Some major banks announced recently that they are to open new branches in Britain's high streets. To what extent is the physical location of your bank important to you?
- Q4. How do you choose to meet the banking needs for your business?
- Q5. How quickly are you likely to become aware of a discrepancy in your firm's bank balance?
- Q6. To what extent do you tolerate late payment before terminating a contract?
- Q7. Do you conduct an annual analysis of your business's training needs?
- Q8. Which of the following areas of training would be most worthwhile for your business at this time?

Q9.

How often do you use internet search engines such as Google/Yahoo for business purposes?

Q10.

When checking the results of a search, do you look beyond the first page?

Q11.

To what extent do you gather tacit knowledge from your employees or customers? (eg: through feedback, suggestion boxes, questionnaires etc)

Q12.

More online 'Health Checks'/Reviewing tools ' are being made available to business, including a new one from Business Link. Would you use such tools as part of a review?

**If you have a suggestion for a future question, please contact us via the email addresses given below.**

Thank you.

Click here to view the complete set of results for this and for previous surveys: [www.ukbb.ac/UI/surveys.aspx](http://www.ukbb.ac/UI/surveys.aspx)

**About the respondents:**

**In the July 2006 survey, 143 respondents were drawn with the following characteristics:**

Sector			
Production & Manufacturing	Distribution	Services	Total
27.3%	9.8%	62.9%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
70.6%	16.1%	13.3%	100.0%

Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
61.5%	24.5%	7.0%	2.8%	4.2%	100.0%



**UKBB: Benchmarking key issues for smaller businesses**

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