

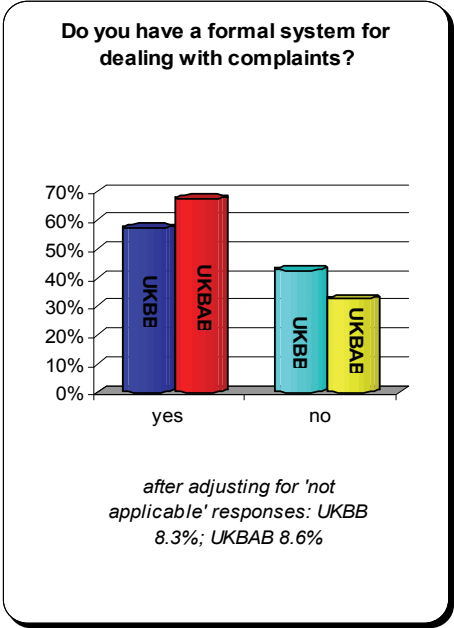
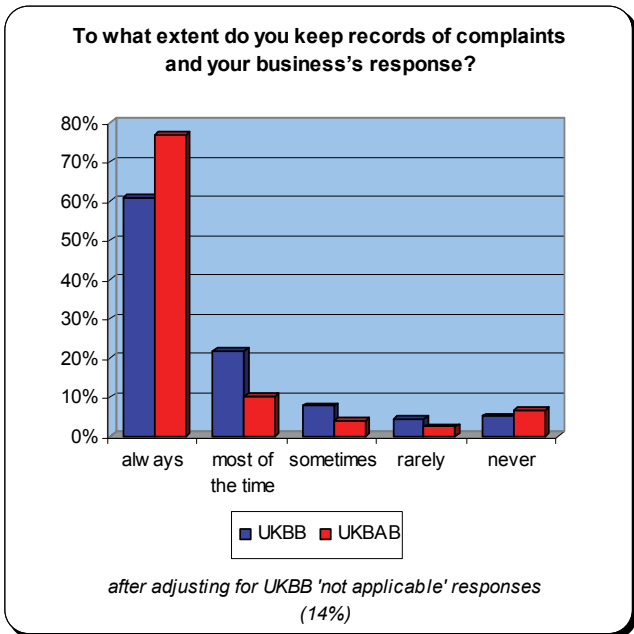
> KEYNOTES FROM JUNE 2006 - BB97

**Topics for June:**

**In the June 2006 survey we invited panellists to give their views on dealing with complaints, truthfulness and trust in business, small business rate relief and websites. The survey also included the quarterly trends questions.**

**How do you deal with complaints?**

It is said that people who have a bad customer service experience will tell up to 25 others about it, but if a company gets it right, it can result in greater customer loyalty. 53% of UKBB respondents have a formal system for dealing with complaints but 39% admit that they don't. 8% say it is not applicable. The parallel survey of Business Advisers, the UKBAB, put the identical question and found that 62% of responding advisers have a formal system in place.



**Doing the paperwork**

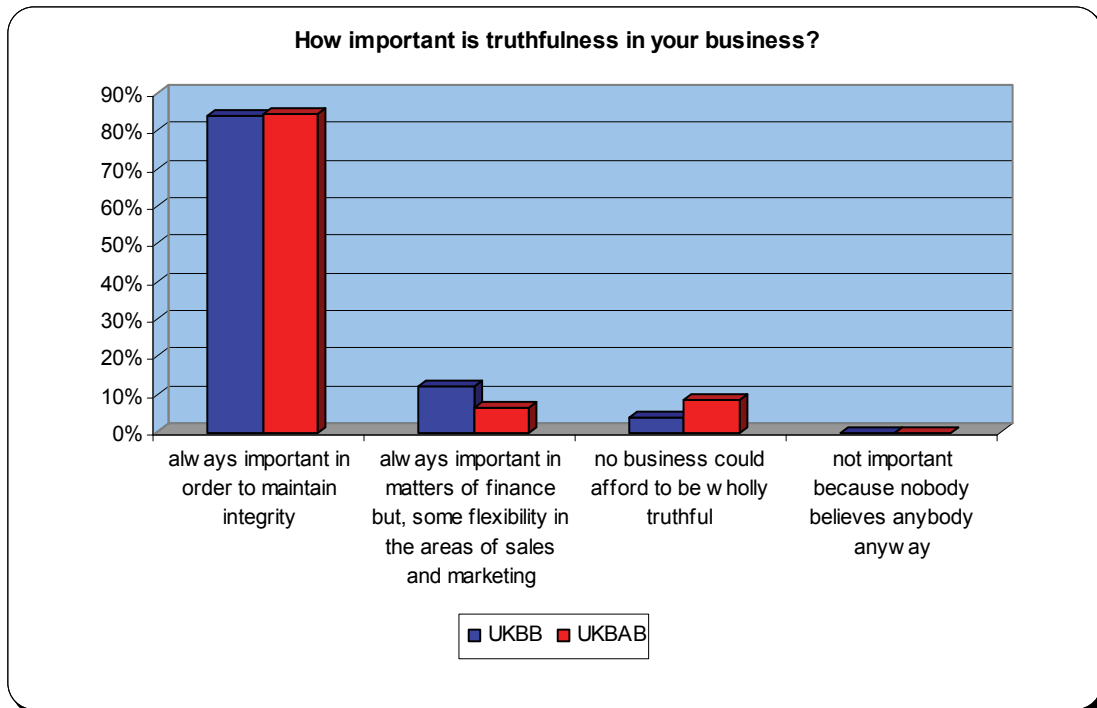
When asked to what extent records of complaints and responses were kept, 61% of UKBB respondents said always, while 22% said most of the time, after adjusting for the 14% responding 'not applicable'. Amongst advisers, 77% said always, 10% said most of the time.

**What the experts say:**

Advice from management gurus is to deal with complaints quickly and ensure that the customer is satisfied, and to have a procedure in place so that any/all employees understand how to react.

### Is truthfulness important in business?

84% of UKBB respondents agree that truthfulness is always important in their business. The parallel Advisers' survey, the UKBAB, asked about the importance of truthfulness in business generally, and 85% agreed that it is always important.



### Greater focus on CSR

Business ethics and corporate social responsibility have come more and more into focus as issues such as fair trade and sustainability rise up the national and international agendas. Underlying such concepts are values such as truthfulness and trust.

### Can businesses afford to be wholly truthful?

However, some respondents in both surveys recognized that there is some flexibility in sales and marketing (12% of BB respondents, 7% of BAB respondents). 4% of UKBB respondents believe that no business could afford to be wholly truthful, and 9% of UKBAB respondents agreed with them.

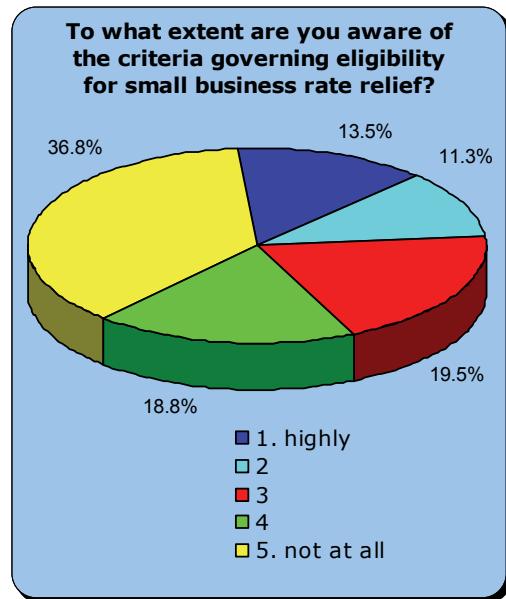
> KEYNOTES FROM JUNE 2006 - BB97

**Are you eligible for small business rate relief?  
56% are not sure.**

17% of respondents to the UKBB currently claim small business rate relief, but only 25% of respondents are highly or relatively highly aware of the criteria governing eligibility for small business rate relief, while 56% are hardly or not at all aware of them. These findings contribute to recent evidence that suggests there is significant under-claiming of the small business rate relief.

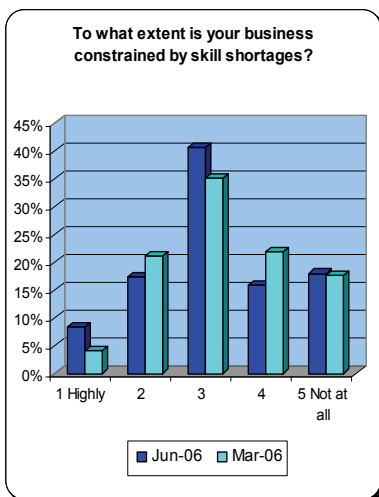
**So, what are the criteria?**

The Small Business Rate Relief came into effect on 1<sup>st</sup> April 2005. Businesses are eligible, on a sliding scale, if they have a rateable value of up to £10,000. Also businesses with rateable values less than £15,000 (£21,500 in London) are eligible for the lower Uniform Business Rate.

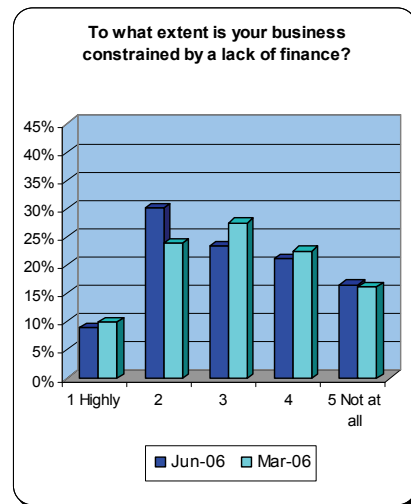


**SECOND QUARTER TRENDS 2006**

**Constraints on business due to skill shortages and those due to lack of finance increased on average during the last quarter, more so with respect to skills shortages.**



The index for businesses with turnovers of under £1M increased by 9% for constraints due to skill shortages, but this was offset by decreases for larger turnover business to produce an overall average index increase of 3.5% in the quarter. By sector, services suffered increases in constraints from shortages of skills while there was no change in the production and manufacturing index and a decrease in the distribution industries index.



**The Panellists' view:**

A contributor commented that skills shortages are a cost issue, thus lack of skills capacity leads to significant wage and cost volatility which is much more significant for a small business than for a large organisation.

## > THE QUESTIONS - JUNE 2006 - BB97

- Q1. Do you have a formal system for dealing with complaints?
- Q2. To what extent do you keep records of complaints and your business's response?
- Q3. How important is truthfulness in your business?
- Q4. How important do you think trust is in creating successful business to business relationships?
- Q5. There is evidence to suggest significant under claiming of small business rate relief; to what extent are you aware of the criteria governing eligibility for small business rate relief?
- Q6. Do you claim small business rate relief?
- Q7. To what extent do you think it is important for businesses in your sector to have their own website?

### Quarterly Trends Questions

The following set of questions has been asked of the panel each quarter for the last six years:

- Q8. To what extent is your business constrained by skill shortages?
- Q9. To what extent is your business constrained by a lack of finance?
- Q10. To what extent is your business constrained by low market demand?
- Q11. Over the last 3 months, has your business:- *(expanded/declined)*
- Q12. Over the next 3 months, do you expect your business to: *(expand/decline)*

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 June 2006 survey, 133 respondents were drawn with the following characteristics:



Sector			
Production & Manufacturing	Distribution	Services	Total
26.3%	9.0%	64.7%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
69.9%	18.0%	12.0%	100.0%

Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
59.4%	26.3%	8.3%	3.0%	3.0%	100.0%

### UKBB: Benchmarking key issues for smaller businesses

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