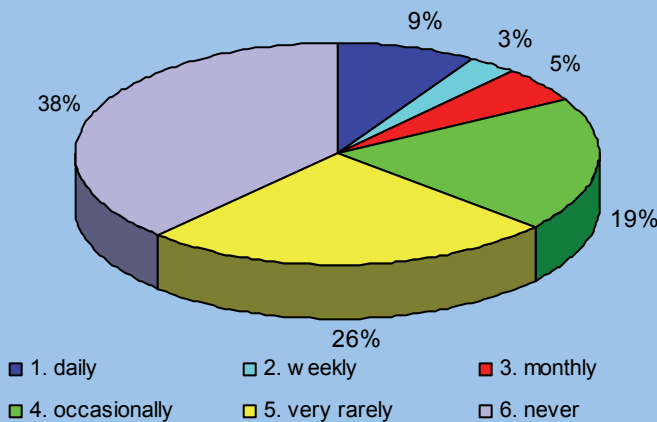


Does your business have some reliance on the unpaid labour of family and friends?



Unpaid labour—how much do you rely upon it?

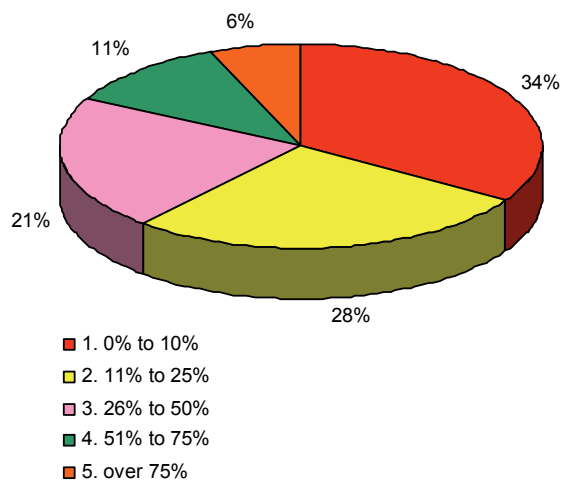
The National Statistical Office Labour Force Survey reported that in the Nov – Jan 2007 quarter there were 100,000 unpaid family workers in the UK.

Overall, 38% of respondents to the UKBB never rely on unpaid family or friends' labour and 26% rarely do so. Smaller responding businesses, in terms of turnover, rely more on unpaid labour than larger businesses, with 23% of businesses with turnover less than £1M needing family or friends to help out as 'volunteers' on a daily, weekly or monthly basis.

The UKBAB has its say on the subject unpaid labour.

The parallel monthly survey of business advisers, the UKBAB, asked advisers what proportion of the firms they advise has some reliance on the unpaid labour of family or friends. 34% said less than 10% and 49% said between 10% and 50%, after adjusting for 'don't know' responses (7%).

What proportion of the firms that you advise has some reliance on the unpaid labour of family or friends?

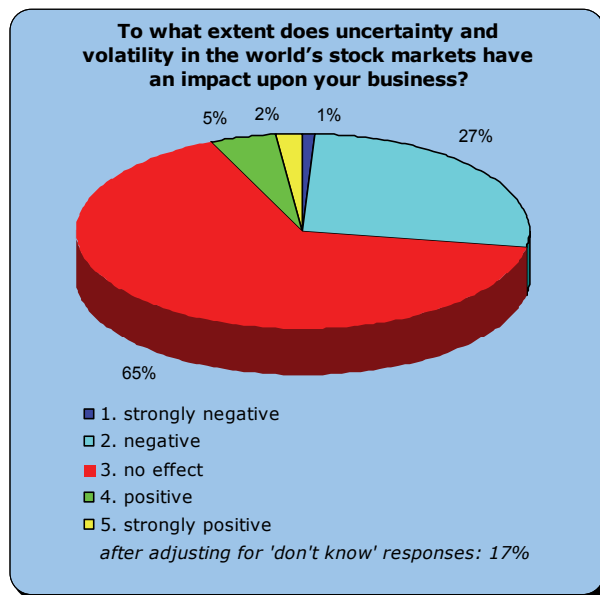


after adjusting for 'don't know' responses: 7%

Volatility in the stock markets — is your business affected?

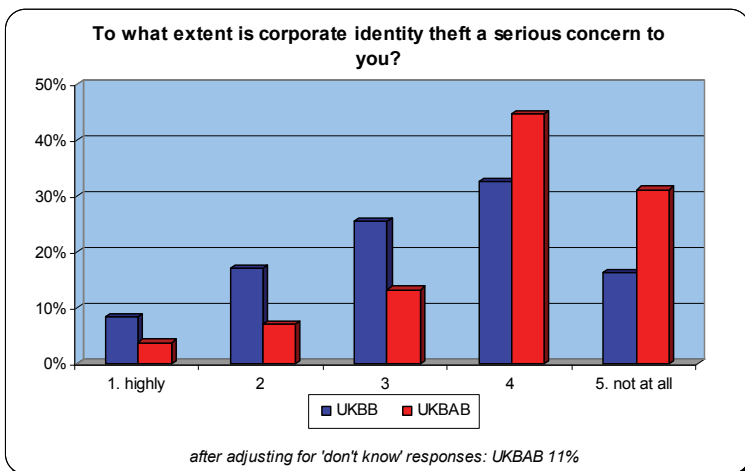
After more than twelve months of climbing, the FTSE 100 index, in company with the other world stock market indices, plunged by 7% towards the end of February. From mid-March it began to recover.

The UKBB surveys smaller businesses, few of which are publicly listed on stock exchanges so it could be expected that index behaviour would have little effect on them. However, over one third of respondents said that there is an impact on their businesses from stock exchange behaviour, with 28% considering the impact to be negative and 7% considering the impact positive.



Businesses 'relaxed' about Corporate Identity theft

Identity theft occurs when somebody uses the name of a business and other information for fraudulent purposes. Concerns are growing about the occurrence of this type of crime, alongside that of personal identity theft. There are a number of different crimes which fall under this heading, including fraudulent emails sent to possible clients in order to obtain personal details, and fraudulent changes to companies' registrations with Companies House, in order to divert payments and deliveries from suppliers.



Respondents to the UKBB March 2007 survey range from being fairly relaxed about this risk, with 49% not at all, or not much concerned, to being very apprehensive, with 26% being highly or reasonably highly concerned. Business Advisers were asked how much their clients were concerned about corporate identity theft and they assessed their clients as being even less worried. 76% of advisers said that their clients were not at all, or not much concerned while 11% said clients were highly or reasonably highly concerned.

> KEYNOTES FROM MARCH 2007 - BB106

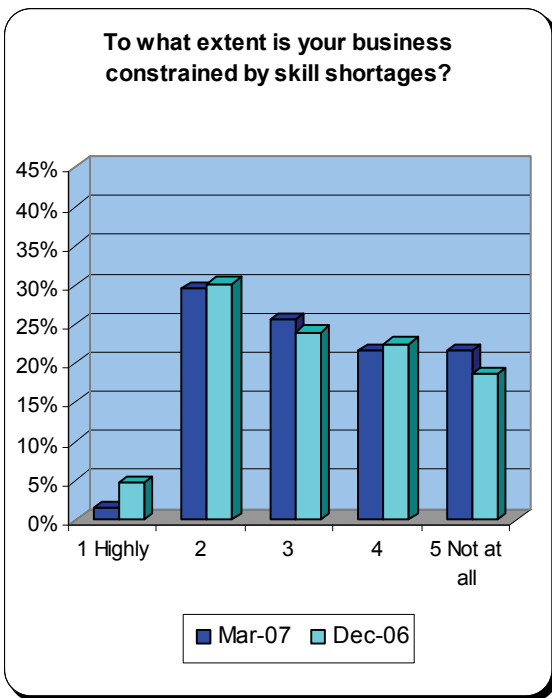
FIRST QUARTER TRENDS 2007

Constraints on business due to skill shortages decreased on average during the last quarter as did those due to lack of finance.

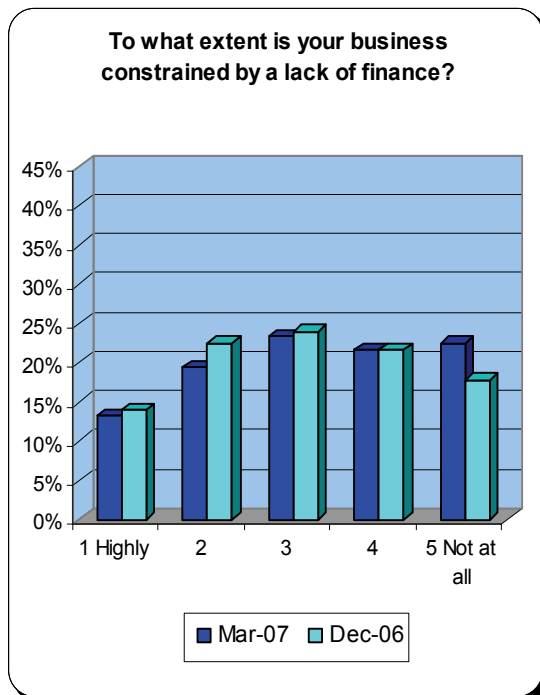
The index for businesses with turnovers of over £3M increased for constraints due to skill shortages, but this was offset by decreases for both smaller and intermediate turnover businesses to produce an overall average index decrease of 4% in the quarter.

By sector, production and manufacturing and the services industries decreased in constraints from shortages of skills while there was an increase in distribution index.

Constraints due to lack of finance decreased across all ranges of turnover and in both the Production/.Manufacturing and Services sectors.



Constraints due to lack of finance decreased across all ranges of turnover and in both the Production/.Manufacturing and Services sectors.



> THE QUESTIONS - MARCH 2007 - BB106

- Q1. Does your business have some reliance on the unpaid labour of family and friends?
- Q2. Blogs and Podcasts are being referred to more regularly in national media, how often, in practice, do you access blogs and podcasts for business purposes?
- Q3. To what extent does uncertainty and volatility in the world's stock markets have an impact upon your business?
- Q4. British Summer Time begins on the 25th March, which of the following options would you prefer?
- Q5. There is much strong evidence to support the idea of SAD (Seasonal Affective Disorder – a mood disorder associated with episodes of depression and related to seasonal variation of light). To what extent do you think that conditions such as SAD affect productivity during the Winter months?
- Q6. To what extent is corporate identity theft a serious concern to you? (Corporate Identity theft occurs when somebody uses the name of your business and other information for fraudulent purposes).

- Q7. In which of the following ways do you monitor competitors' prices?

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

About the respondents:

In the March 2007 survey 129 respondents were drawn with the following population characteristics:

| Sector | | | |
|----------------------------|--------------|----------|--------|
| Production & Manufacturing | Distribution | Services | Total |
| 24.8% | 7.8% | 67.4% | 100.0% |

| Turnover (£) | | | |
|--------------|-------|-------|--------|
| < 1 M | 1M-3M | >3M | Total |
| 70.5% | 17.1% | 12.4% | 100.0% |

| Number of Full-time Employees | | | | | |
|-------------------------------|-------|-------|--------|------|--------|
| 1-10 | 11-20 | 21-50 | 51-100 | 100+ | Total |
| 62.0% | 23.3% | 8.5% | 3.1% | 3.1% | 100.0% |



UKBB: Benchmarking key issues for smaller businesses

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