

> KEYNOTES FROM MAY 2006 BB96

Topics for May:

The May survey invited views on stimulating business, online purchases, flexible working hours, consultants, economic crime, trade shows and employing workers from the new EU accession countries.

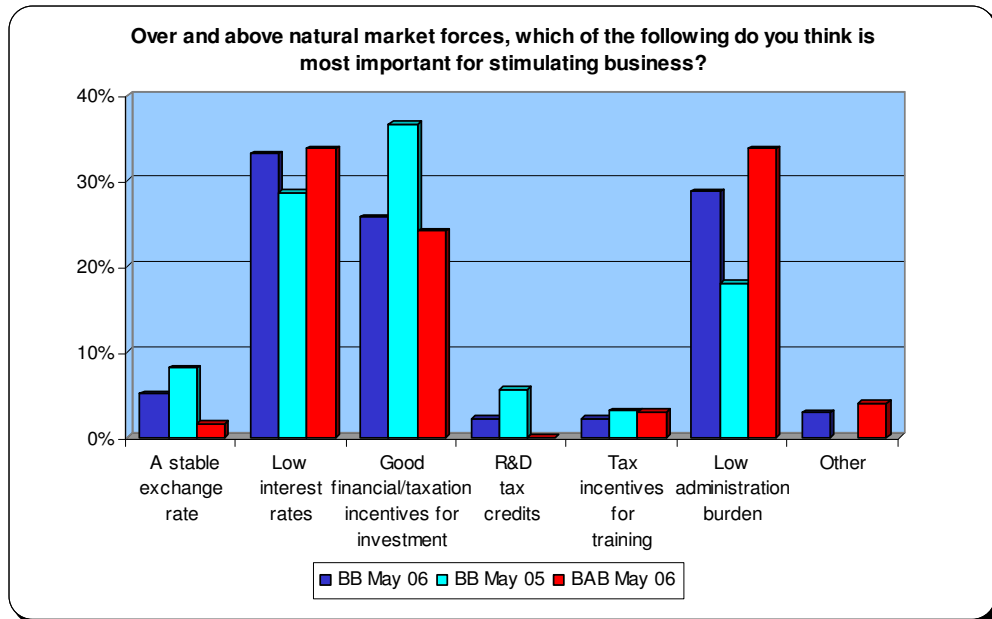
Your recipe for stimulating business:—

Low Interest Rates

A low administration burden

and

Tax incentives



Low interest rates were considered to be the most important factor for stimulating business by 33% of the respondents to the May UKBB survey. The second most popular choice, a low burden of administration, attracted 29% of respondents with third place going to good financial/taxation incentives for investment (26%).

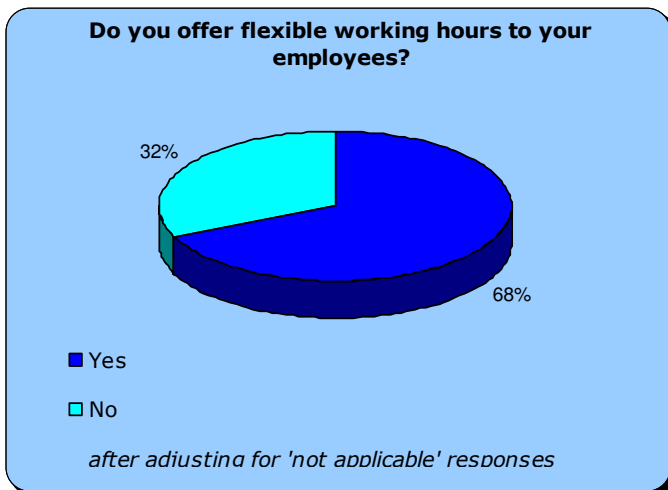
In May last year the UKBB survey found that investment incentives came out top with 37% of respondents and R&D tax credits was favourite for 6% in 2005, but this year only 2% place them first.

The parallel survey of business advisers, the UKBAB, put the same question and responses reinforced the BB opinions since low interest rates and low administration burden emerged in the joint top place, each with a 34% response.

> KEYNOTES FROM MAY 2006 BB96

Flexitime is good for you and Britain leads the way

Britain is among Europe's leaders in terms of how it treats its labour force. New research from the EU shows UK employers come first in offering part-time working options and near the top in flexible working arrangements. This new study has revealed that on average flexible working time arrangements exist in 48% of establishments with 10 or more employees in Europe. 61% of managers surveyed for that report said that higher job satisfaction was one of the outcomes of flexible working.

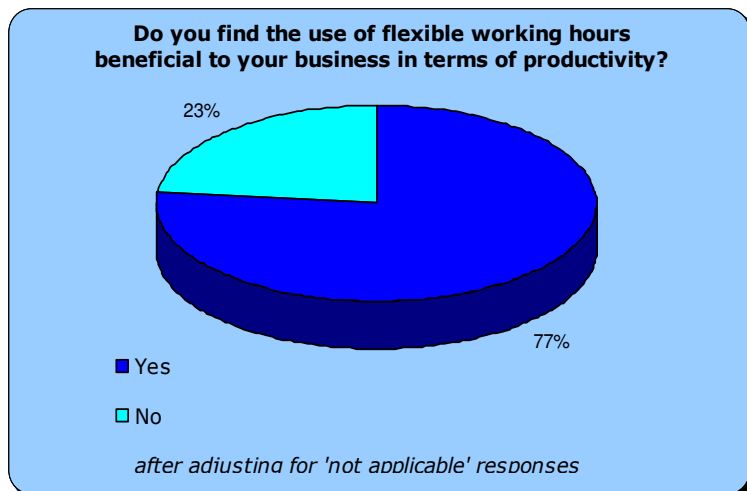


Productivity benefits

The results of the May 2006 UKBB survey show that 68% of applicable UKBB respondents offer flexible working hours to their employees, and 77% of applicable UKBB respondents find that flexible working hours are beneficial to their businesses in terms of productivity.

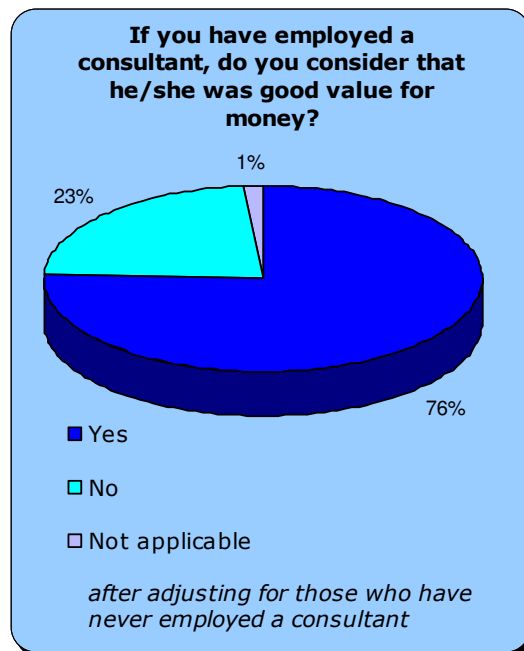
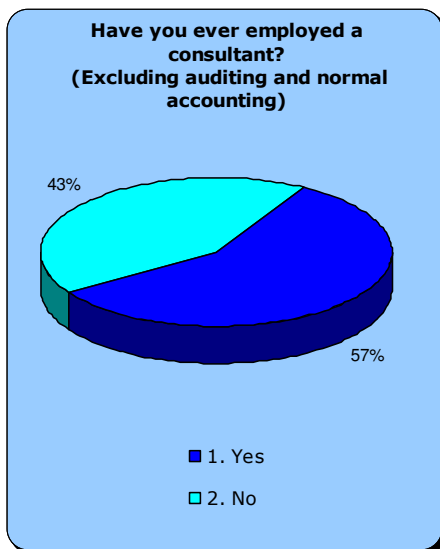
Change of heart from 2002

These results are especially heartening when comparing with the responses to a UKBB question from August 2002, when panellists were asked whether they agreed that Government plans to encourage flexible working hours will be damaging for small business. At that time 43% agreed either highly or reasonably highly.



> KEYNOTES FROM MAY 2006 BB96

Consultants giving good value

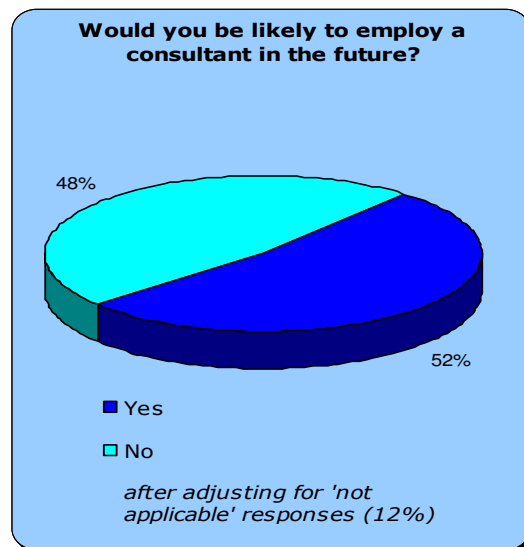


The May 2006 UKBB survey included three questions about businesses' experiences when using consultants.

The term 'consultant' was left undefined, only excluding auditing and normal accounting, and under this minimal constraint 57% of respondents own to having employed some kind of consultant. 76% of these consider that their consultant was good value for money. After adjusting for those responding 'not applicable', 52% say they are likely to employ a consultant in the future.

Panellist's View

We employ many consultants for many purposes. Some offer good value for money others court prosecution under the trades descriptions act.



> THE QUESTIONS MAY 2006 BB96

- Q1. Over and above natural market forces, which of the following do you think is most important for stimulating business?
- Q2. To what extent do you make purchases online for your business?
- Q3. To what extent do you make personal purchases online?
- Q4. Do you offer flexible working hours to your employees?
- Q5. Do you find the use of flexible working hours beneficial to your business in terms of productivity?
- Q6. Have you ever employed a consultant? (Excluding auditing and normal accounting)
- Q7. If you have employed a consultant, do you consider that he/she was good value for money?
- Q8. Would you be likely to employ a consultant in the future?
- Q9. Has your business ever been the victim of economic crime (eg. Fraud)?
- Q10. Have you ever exhibited or attended trade shows or exhibitions?
- Q11. What do you think your business might be able to gain from trade shows or exhibitions?
- Q12. Do you employ workers from the new EU accession countries?

About the respondents:

In the May 2006 survey, 136 respondents were drawn with the following characteristics:



Sector			
Production & Manufacturing	Distribution	Services	Total
25.7%	7.4%	66.9%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
69.1%	16.9%	14.0%	100.0%

Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
62.5%	22.1%	7.4%	3.7%	4.4%	100.0%

UKBB: Benchmarking key issues for smaller businesses

For further information, please contact **The Barometer Project Team:**

Rick Eagles t: 0115 8466860 e: rick.eagles@nottingham.ac.uk

Liz Rose t: 0115 8466189 e: liz.rose@nottingham.ac.uk w: www.ukbb.ac www.ukbab.ac