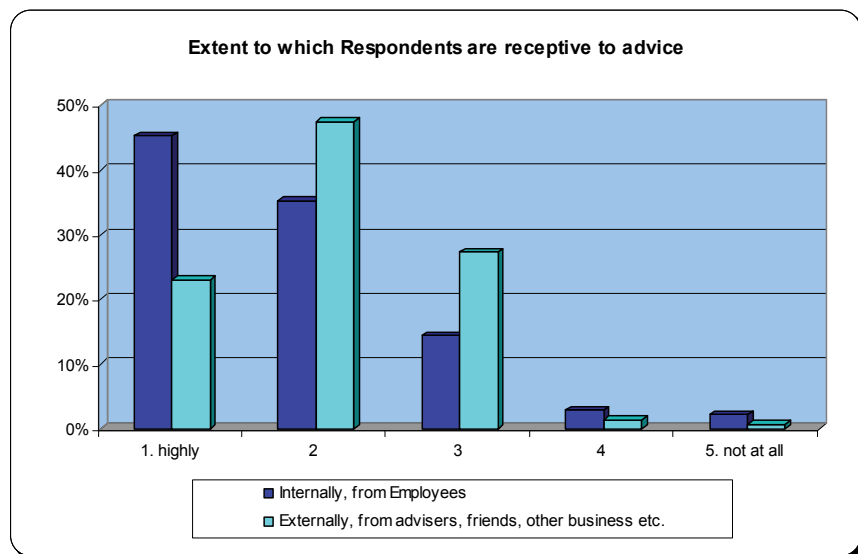


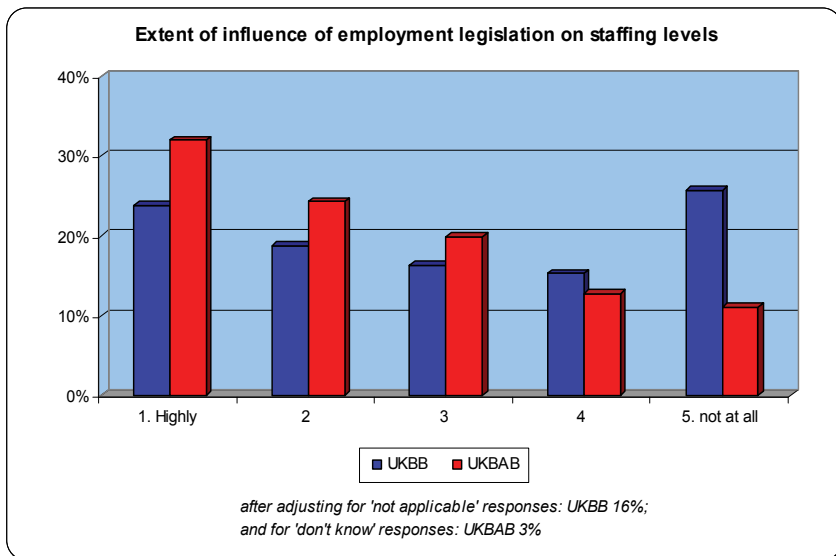
> KEYNOTES FROM OCTOBER 2006 - BB101

The first two questions in the October survey were intended to compare the sources from which smaller businesses most readily draw business advice. In October 2005 (BB89) the UKBB survey included a more specific question about external sources of advice: 'Which of the following do you use for business advice?' This revealed that on average respondents use between 3 and 4 separate external sources. This month's questions show that most of the smaller responding businesses are not only ready to accept advice from external sources but also from within their businesses. 81% say they are highly or relatively highly receptive to advice from employees, and 71% say they are highly or relatively highly receptive to advice from external sources.

Seeking advice—your views on sources internal and external.



Employment legislation and its influence on staffing levels.

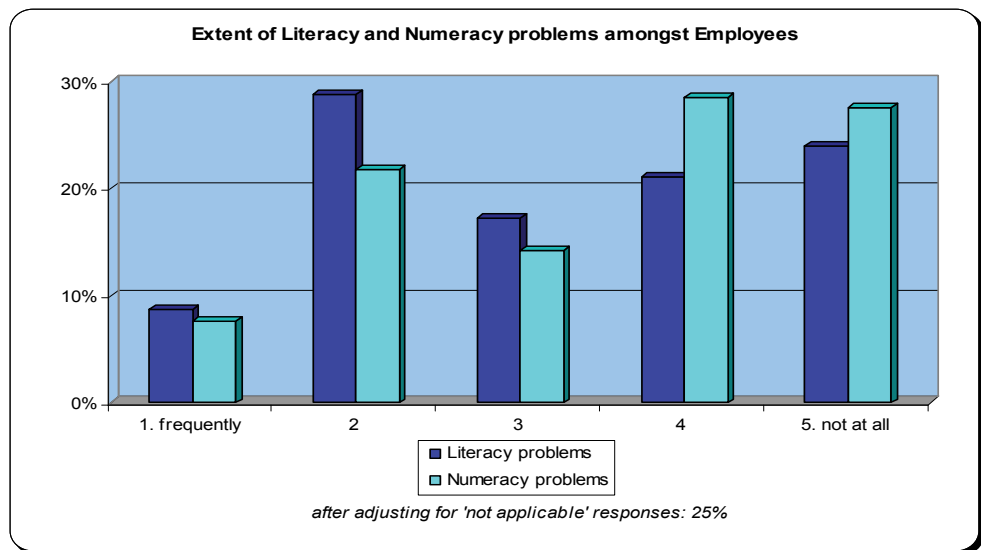


In previous UKBB surveys, employment came out as the type of legislation giving respondents most cause for concern. After adjusting for 'not applicable' responses, 43% of respondents to this month's survey said that the present employment legislation influences their staffing levels to a high or reasonably high

In answer to a similar question put in the parallel survey of Business Advisers, the UKBAB, 56% of respondents said that they believe that the present employment legislation influences their clients' staffing levels to a high or reasonably high extent.

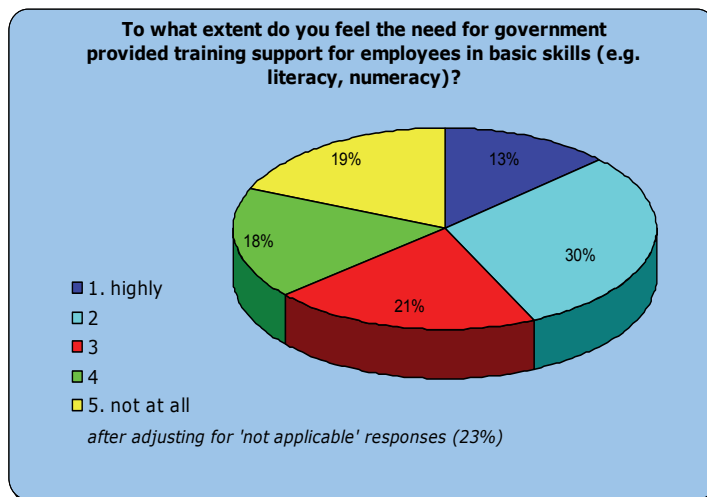
**Five years on from the National Skills for Life Strategy, to what are you encountering literacy and numeracy problems?**

The National Skills for Life strategy was set up in 2001 in response to the Moser report 'A Fresh Start'. The ultimate aim was to help improve the literacy and numeracy achievement of 1.5 million adults by 2007.



The UKBB October survey asked panellists to what extent they have encountered literacy (specifically reading and writing) problems and numeracy problems amongst their employees. After adjusting for not applicable responses, 38% of respondents have found frequent or relatively frequent literacy problems and 30% have found frequent or relatively frequent numeracy problems amongst employees. At the other end of the scale, 45% observed few or no literacy problems and 56% found few or no numeracy problems.

Panellists were also asked how strongly they felt that government should provide basic skills training for employees. After adjusting for 'not applicable' responses, 43% felt that this is highly or relatively highly desirable but 37% say there is no or not much need for it.



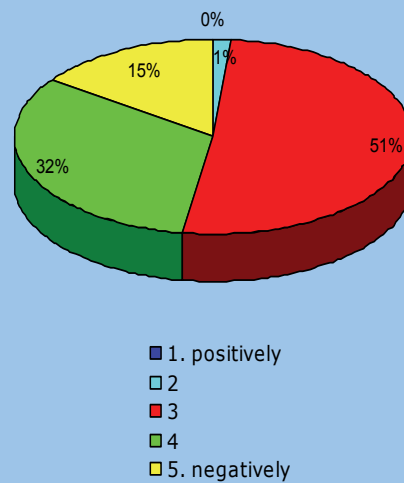
> KEYNOTES FROM OCTOBER 2006 - BB101

**Two months into the new Royal Mail tariff structures and how was it for you?**

The Post Office introduced its new pricing system on 21<sup>st</sup> August 2006 so that businesses had nearly two months of experiencing it before completing this October survey.

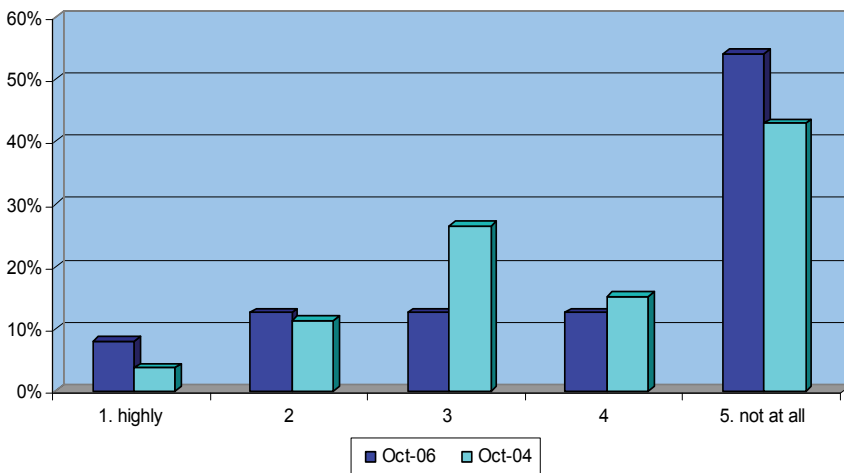
Although 51% of respondents are neutral about the impact on their businesses, only 1% perceive anything positive and 48% think the impact is negative or relatively negative.

**In what way has the Royal Mail's new tariff structures affected your business?**



**Recruitment— how does the National Minimum Wage affect youngsters' prospects?**

**To what extent has the advent of the National Minimum Wage made the recruitment of younger staff less attractive?**



after adjusting for 'not applicable' responses: Oct 06: 37%; Oct 04: 34%

The National Minimum Wage increased again from 1<sup>st</sup> October 2006 but this will still deter only a minority of survey respondents from recruiting younger staff: 54% said it would not make recruiting younger staff at all less attractive, compared with 43% when this question was last asked in October 2004. 20% said it would make recruitment of younger staff highly or relatively highly less attractive, compared to 15% in October 2004.

> THE QUESTIONS - OCTOBER 2006 - BB101

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Q1. To what extent are you receptive to advice proffered internally from employees?</p> <p>Q2. To what extent are you receptive to advice proffered externally from advisers, friends, other businesses etc.?</p> <p>Q3. To what extent has the advent of the National Minimum Wage made the recruitment of younger staff less attractive?</p> <p>Q4. In what way has the Royal Mail's new tariff structures affected your business?</p> <p>Q5. To what extent have you encountered literacy problems (specifically reading and writing) amongst your employees?</p> <p>Q6. To what extent have you encountered numeracy problems amongst your employees?</p> <p>Q7. To what extent do you feel the need for government provided training support for employees in basic skills (e.g. literacy, numeracy)?</p> | <p>Q8. Recent research has shown that small businesses are missing out on millions of pounds of Government tax breaks by not taking full advantage of research and development (R&amp;D) tax relief designed to encourage innovation in the UK. Have you explored the possibility of obtaining R&amp;D tax credits?</p> <p>Q9. To what extent does the present employment legislation influence your staffing levels?</p> <p>Q10. To what extent do you feel the need for multiple suppliers despite the time commitment that this involves?</p> <p>Q11. What proportion of your invoices remain unpaid by customers after their due date?</p> <p>Q12. What proportion of your suppliers' invoices remains unpaid by you after their due date?</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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 October 2006 survey 139 respondents were drawn with the following population characteristics:

Sector			
Production & Manufacturing	Distribution	Services	Total
25.9%	7.2%	66.9%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
69.8%	16.5%	13.7%	100.0%

Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
59.7%	26.6%	6.5%	2.9%	4.3%	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](mailto:rick.eagles@nottingham.ac.uk)

**Liz Rose** t: 0115 8466189 e: [liz.rose@nottingham.ac.uk](mailto:liz.rose@nottingham.ac.uk) w: [www.ukbb.ac](http://www.ukbb.ac) [www.ukbab.ac](http://www.ukbab.ac)

