

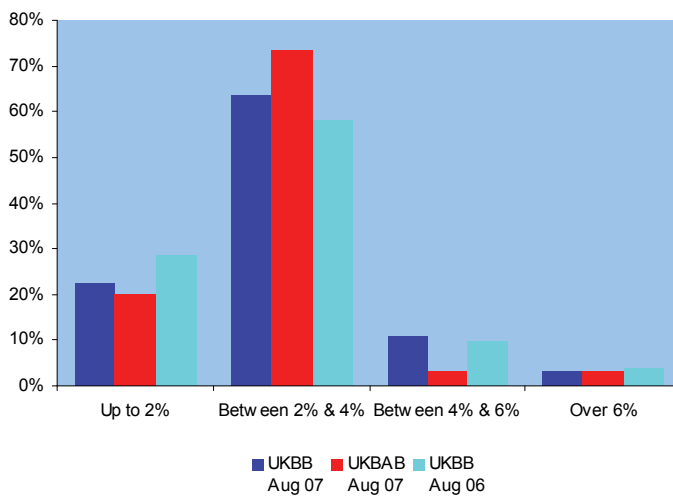
Wages to rise?

Your expectations revealed.

The recent increases in price inflation and interest rates have been finding their way through to wages and over the next 12 months respondents are more pessimistic than they were a year ago. 22% expect wages to rise by less than 2% compared to 28% in August 2006. 64% expect increases of between 2% and 4% compared to 56% last year.

In the parallel survey of business advisers, the UKBAB, business advisers were asked how much they expected wages to rise across their client base over the next 12 months. Respondents were more pessimistic than UKBB respondents, with only 20% saying they thought rises would be less than 2% and 74% saying they thought the average would be between 2% and 4%.

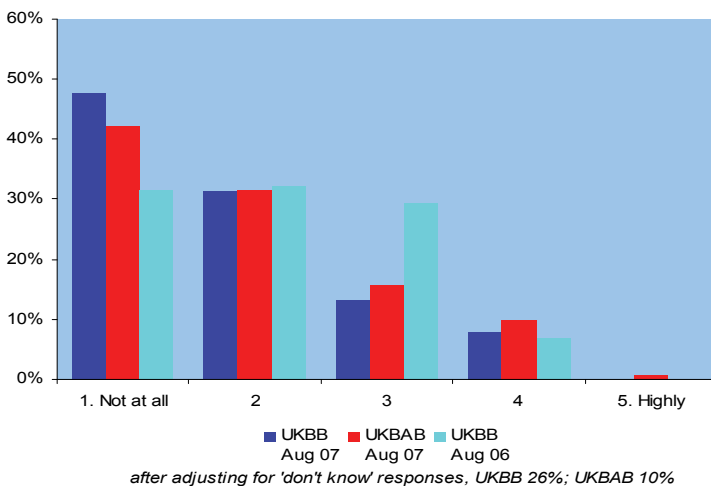
By how much do you expect wages to rise over the next 12 months?



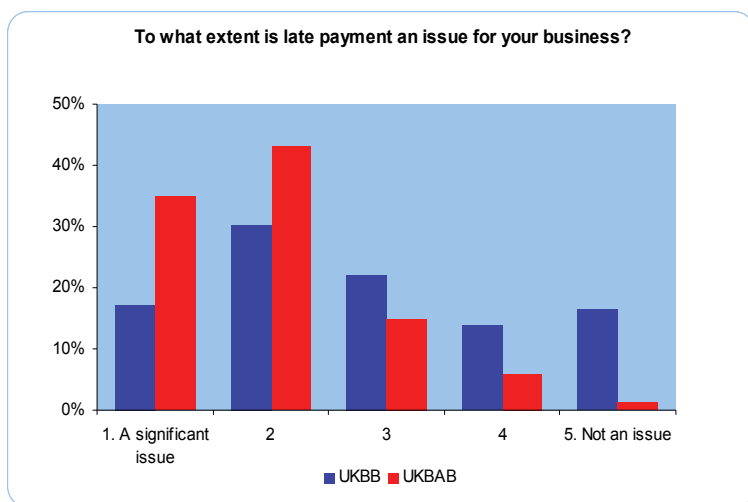
No progress seen on attempts to make public procurement more open.

Involvement of smaller businesses in public procurement is still an issue. The UKBB posed a question on this a year ago and comparing responses from the August 2007 survey with those from 2006 shows that respondents are even more firmly of the opinion that attempts to make public procurement more open to smaller businesses are unsuccessful. 79% said 'not at all' or 'not very' this year compared with 64% last year. The same question was asked of business advisers in the UKBAB survey and 74% also thought that these attempts have not been at all successful, or not very successful.

Attempts have been made to make public procurement more open to smaller businesses. Compared to conditions five years ago, to what extent do you think that these attempts have been successful?



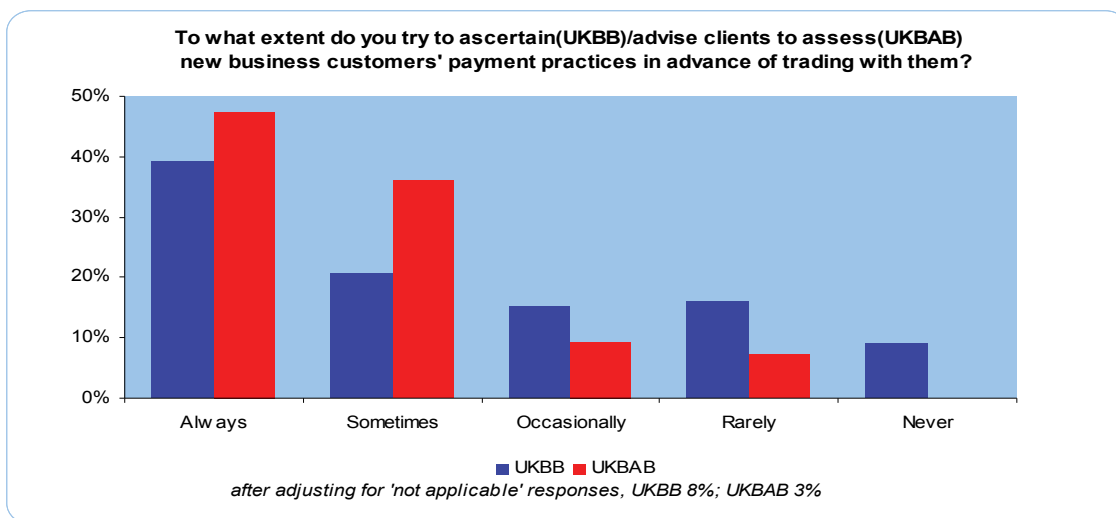
Situation improving but late payment still a significant issue.



In spite of legislation allowing businesses to charge both interest and compensation for overdue payments, late payment continues to be a significant or considerable issue for 48% of respondents to the UKBB and also for the clients' businesses of 78% of respondents to the UKBAB, the parallel survey of business advisers. When this question was last asked, in February 2006, 60% of UKBB respondents said it was a significant or considerable issue for their businesses.

Do you check payment habits?

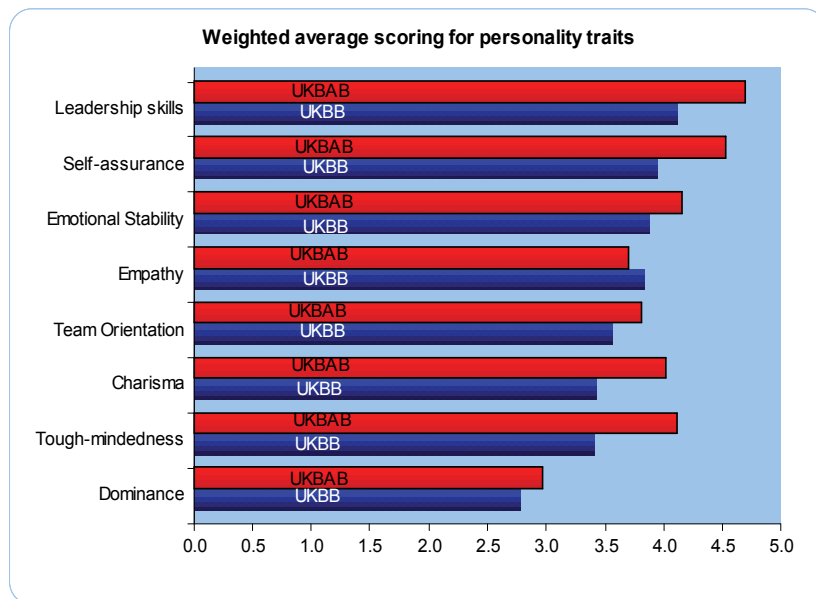
There is evidence to suggest that on average businesses are increasing the length of time they take to settle bills. To avoid being a victim of this, 39% of respondents to the UKBB always check on the payment habits of new customers before they agree to trade with them. 21% sometimes make the check and 15% occasionally do, but 25% rarely or never do.



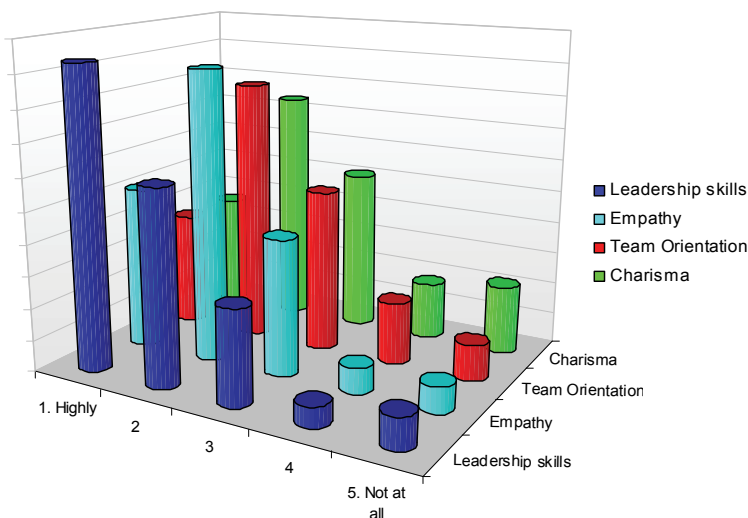
Personality traits and business success.

In the August UKBB survey we asked panellists to assess how much their own personality traits have contributed to their success in business and at the same time we asked the business adviser panellists of the parallel UKBAB survey to say how much the same sets of traits contribute positively to business success.

Several UKBB respondents sent comments saying they found this difficult to do subjectively, and the results of the two surveys - the UKBB 'subjective' assessment and the UKBAB 'objective' assessment are shown together for comparison.



Business success is very dependent not just on the marketplace but also on the quality of those running businesses. Psychologists have long been studying personality traits of successful people, in order to seek out those traits that are most vital in successful leaders. Discerning these traits is thought to be even more important as the rate of change in the business environment accelerates.



The two sets of results had much in common. The three personality traits that were rated most highly by both the UKBB and the UKBAB respondents were leadership skills, self-assurance and emotional stability. While UKBB respondents' 4th-rated trait was empathy, UKBAB respondents placed tough-mindedness 4th. Dominance was the lowest rated trait by both sets of respondents.

>SEPTEMBER EDITION — AUGUST 2007 - BB111—THE QUESTIONS

- Q1. Are you aware of whether the recent bad weather has had an impact either directly or indirectly on your business?
- Q2. By how much do you expect wages to rise over the next 12 months?
- Q3. Attempts have been made to make public procurement more open to smaller businesses. Compared to conditions five years ago, to what extent do you think that these attempts have been successful?
- Q4. The numbers of bank and building society branches has fallen by nearly 11% since 2002. To what extent has this reduction in the number of branches adversely affected your business?
- Q5. To what extent is late payment an issue for your business?
- Q6. To what extent do you try to ascertain new business customers' payment practices in advance of trading with them?
- Q7. To what extent do you consider that your business bank charges are good value for money in practice?
- Q8. A new law effective from 1st July this year bans smoking from enclosed public places. Have you implemented any of the following as new measures to be compliant with this new law?
- Q9. In the last twelve months, has your investment in plant and equipment:
- Q10. In the next twelve months, do you expect your investment in plant and equipment to (change)
- Q11. To what extent have the following personality traits contributed positively to your success in business?
- Q12. To what extent have the following personality traits contributed positively to your success in business?

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 August 2007 survey
122 respondents were drawn
with the following
population characteristics:

Sector			
Production & Manufacturing	Distribution	Services	Total
24%	9%	67%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
66%	18%	16%	100.0%

Number of Full-time Employees					
1-10	11-20	21-50	51-100	100+	Total
61%	23%	9%	3%	4%	100.0%

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Please feed back your thoughts via the following link: www.ukbb.ac/UI/contact.aspx