

UKBB 55 December 2002 Analysis

The December survey asked about pay settlements, investment in physical assets and in training, late payment and two issues with a Christmas theme.

About the respondents

166 respondents were drawn with the following population characteristics:

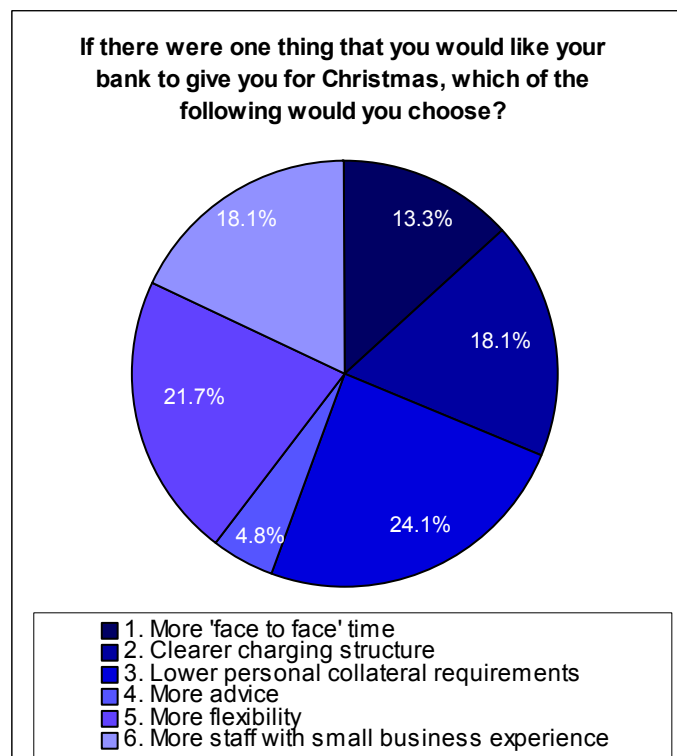
Sector			
Production & Manufacturing	Distribution	Services	Total
29.5%	6.0%	64.5%	100.0%

Turnover (£)			
< 1 M	1M-3M	>3M	Total
67.5%	18.1%	14.5%	100.0%

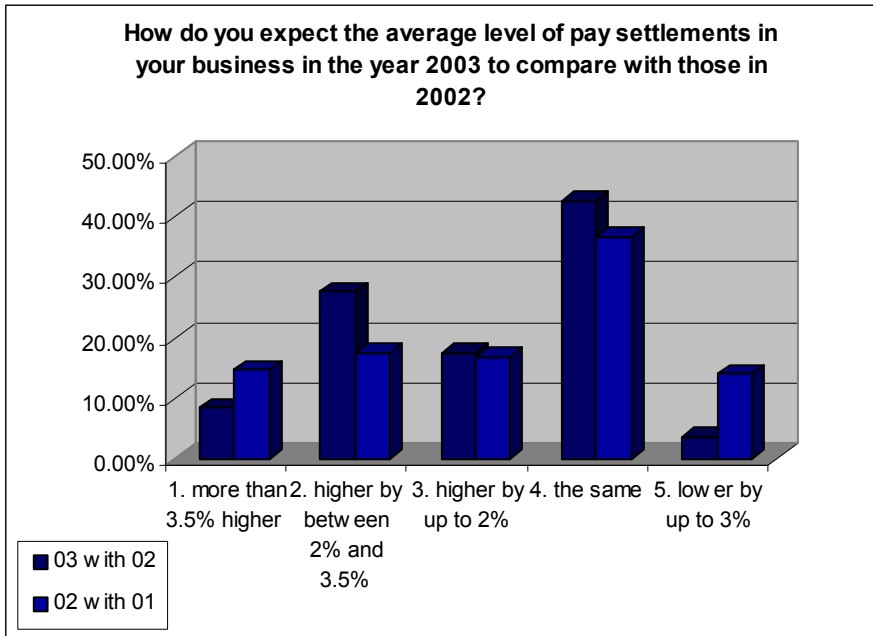
Number of Full-time Employees						
1-10	11-20	21-50	51-100	100+	Unknown	Grand Total*
44.0%	34.9%	5.4%	3.0%	3.6%	9.0%	100.0%

Survey Findings

In the November Survey, 85% of respondents thought it important, or very important to have a personal, well informed, point of contact with their bank. This month's question was "what would you like for Christmas from your bank?" and 36.2% of respondents chose person-based skills, including more face-to-face contact, more advice, and more staff with small business experience. 24% would like lower personal collateral requirements and 22% would like greater flexibility.

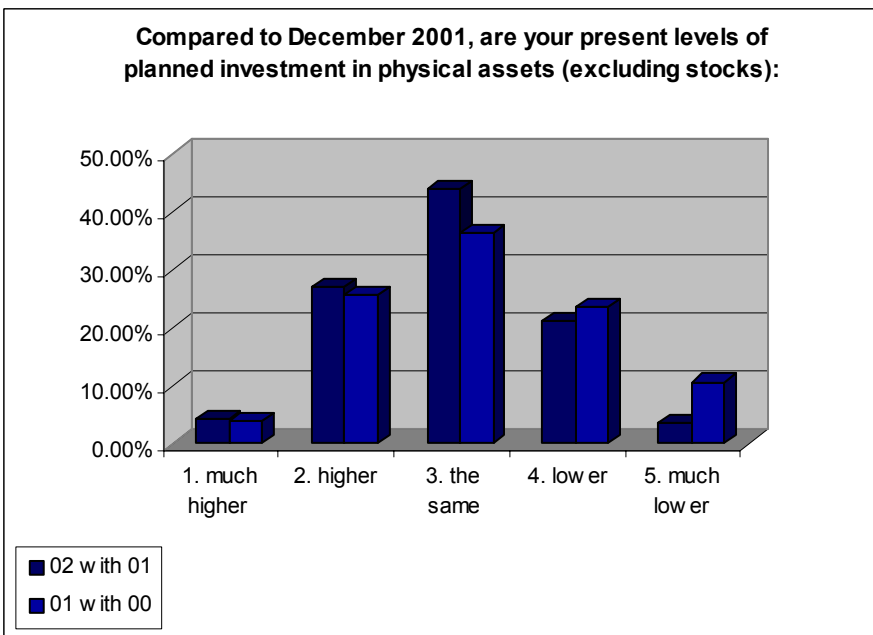


Pay settlements in 2003 are expected to be more moderate at the top end than in 2002, but overall levels are expected to be marginally more buoyant. In the April 2002 Survey we asked how the average level of pay settlements in 2002 was expected to compare with those in 2001. Only 8% expect levels of over 3½% increase in 2003 compared with 15% in 2002. 53% of respondents expect pay to increase by some amount above 0%, compared with 49% in 2002, and fewer respondents expect lower settlements than in 2002, 4% compared with 14%.

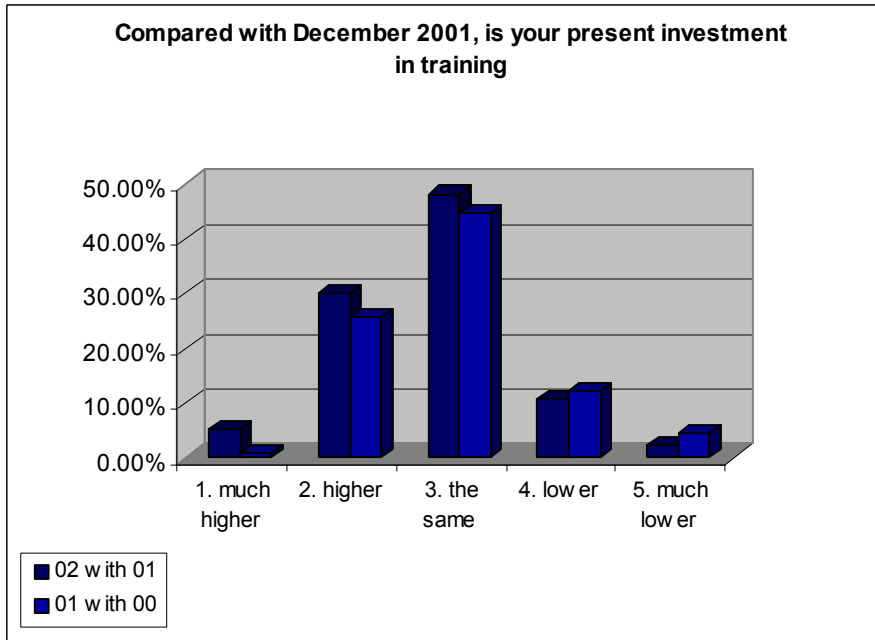


Changes in levels of planned investment in physical assets and in levels of training have fared similarly over the past year, although increases in training are more marked than increases in planned investment. We asked last in December 2001 for the comparison with December 2000.

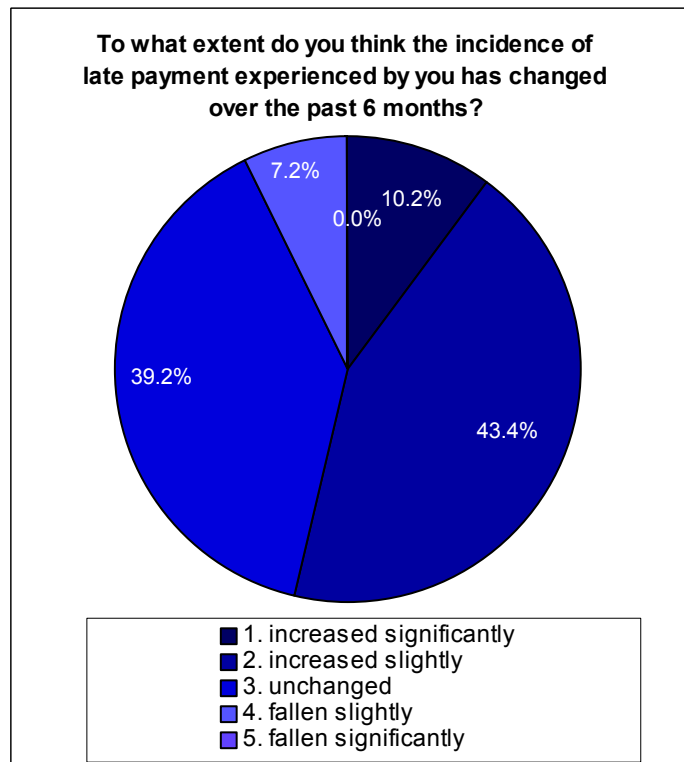
31% of respondents have increased levels of planned investment over the year, compared with 30% this time last year, with 44% being the same (36% last year). 25% have decreased levels compared with 34% last year.



36% of respondents have increased investment in training over the year, compared with 27% this time last year, with 48% being the same (45% last year). 13% have decreased levels compared with 17% last year.

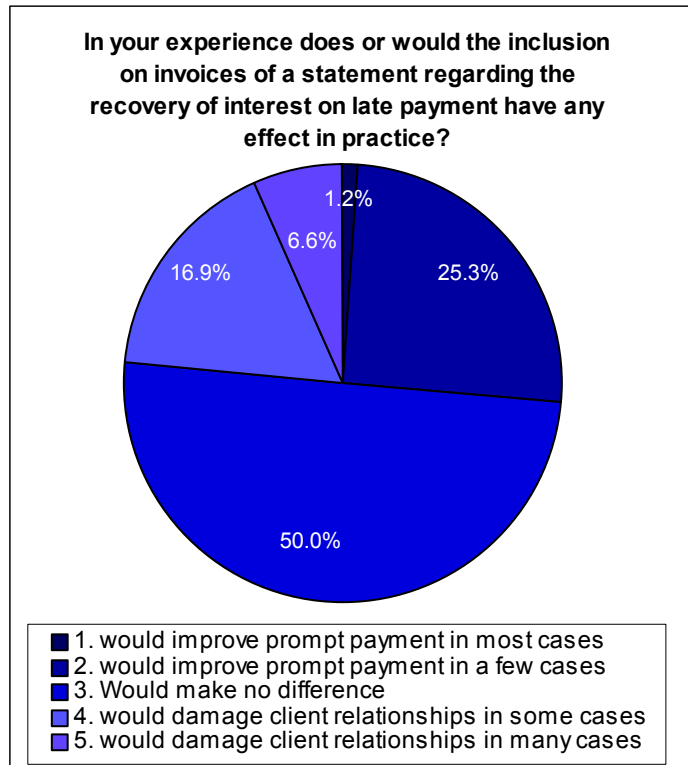


Late payment is well known as one of the major stress factors for small businesses. Over half of our respondents believe that the level has increased over the last six months, with 10% reporting a significant increase. Only 7% have experienced a decrease.

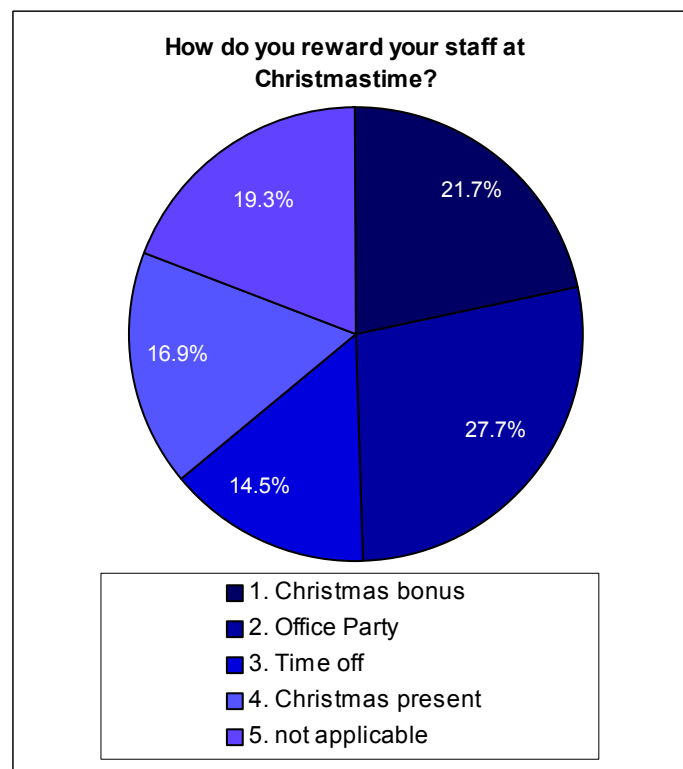


Although small firms are allowed to charge interest to firms of any size on the late payment of commercial debts, many do not do so. Even the inclusion on invoices of a statement about the recovery of interest on late payment is not regarded favourably by

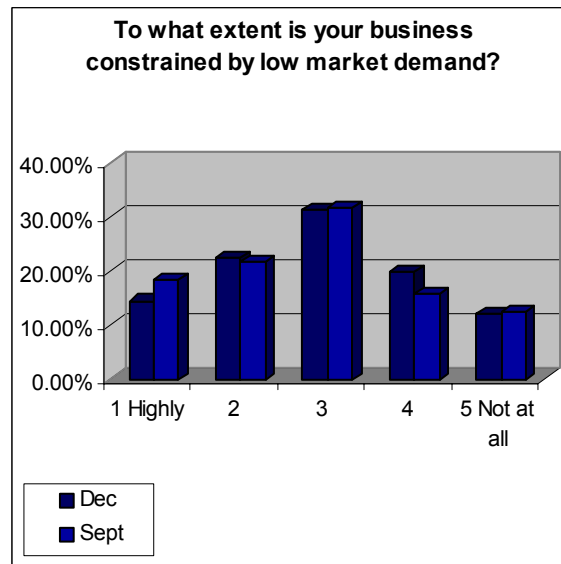
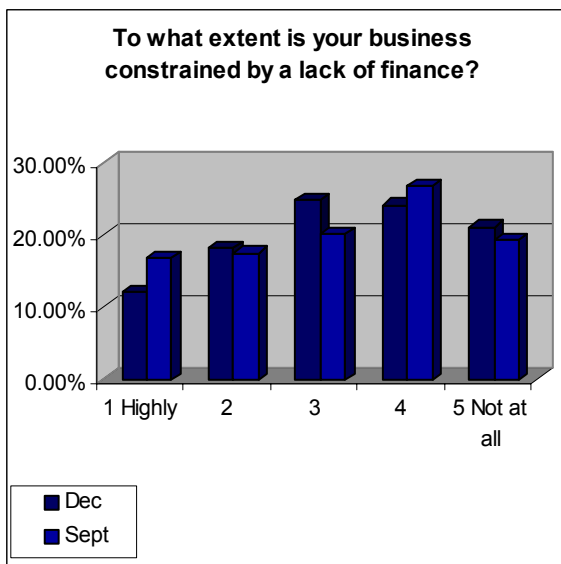
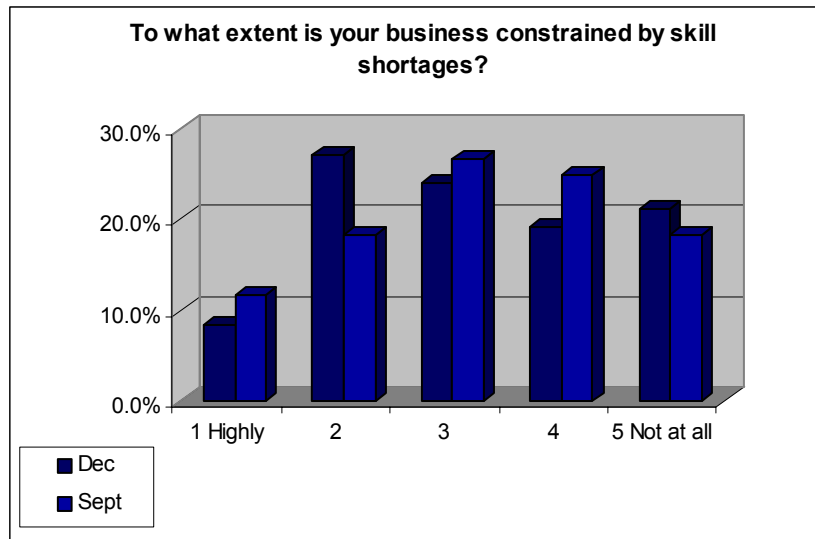
many – only 27% of respondents thought it might have a positive outcome for them in any way:



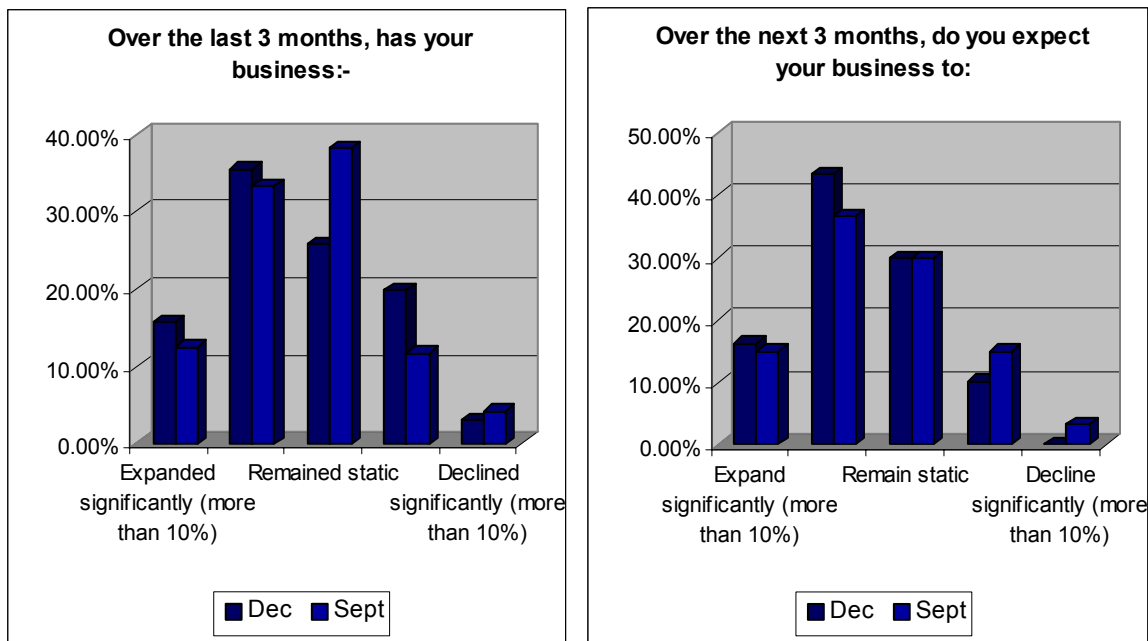
Work-based Christmas celebrations are not universally indulged in, as 19% of respondents found this not applicable. Some respondents sent separate comment that they provide more than one reward at Christmas time, so the results shown below indicate the reward viewed as most important.



Over the fourth quarter, overall weighted averages of constraints due to skill shortages, lack of finance and low market demand have all decreased compared to the September quarter.



Over the last three months more businesses expanded or were static than declined, and the overall growth averaged showed an increase, mainly in the services sectors. . Looking forward, the average expectation is for increased growth except in the distribution sector.



Listed below are extracts from feedback received in Survey BB55 December 2002.

Comments are listed under sector headings.

Views expressed are those of individual panellists and may not represent those of the University.

Business Services

We are finally seeing good sales growth in our niche IT services sector that has led us to taking on staff. The job market is so vastly different than 18 months ago, lots of good quality people and significantly lower salaries.

Web site enquires have increased markedly during the last two months