

Following the announcement of budget measures affecting smaller businesses, the April Survey asked for views on the likely overall impact. It also included questions on Cost Increases, Bonus Schemes, Pay Settlements, Business Advice and U.S. Export Orders.

About the respondents

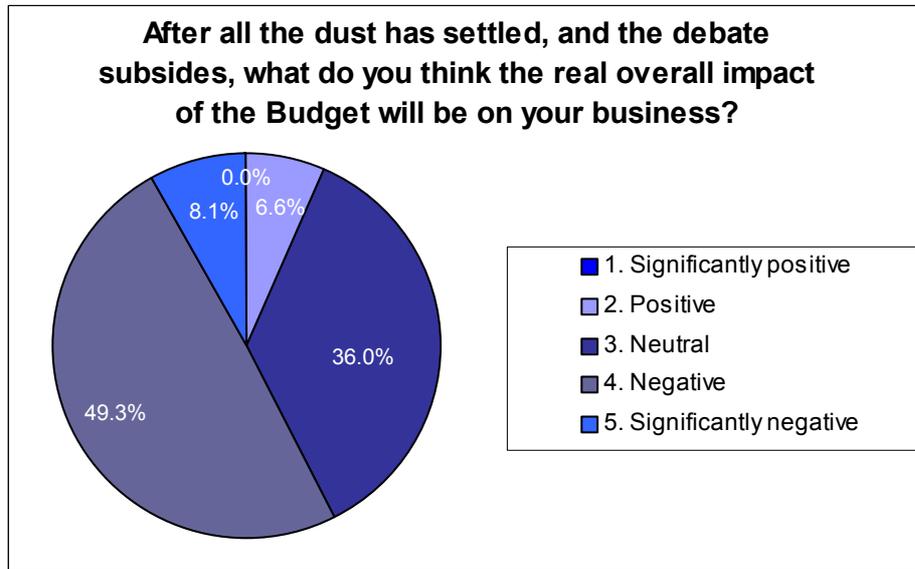
136 respondents were drawn with the following population characteristics:

Sector			
Production & Manufacturing	Distribution	Services	Total
34.6%	8.8%	56.6%	100.0%

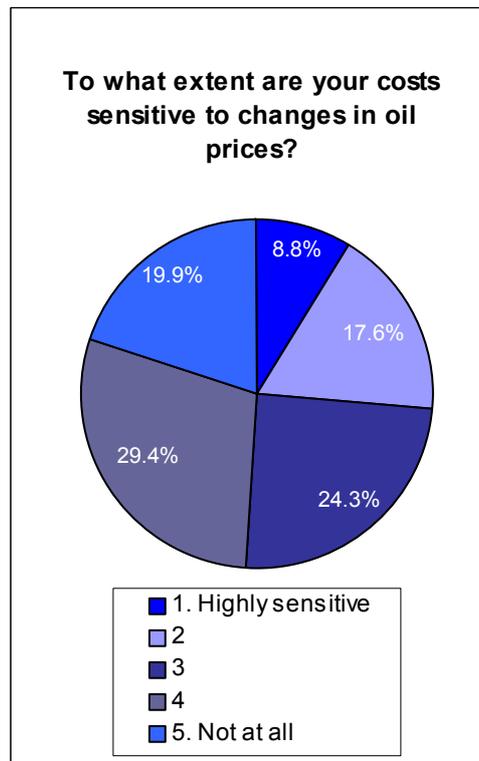
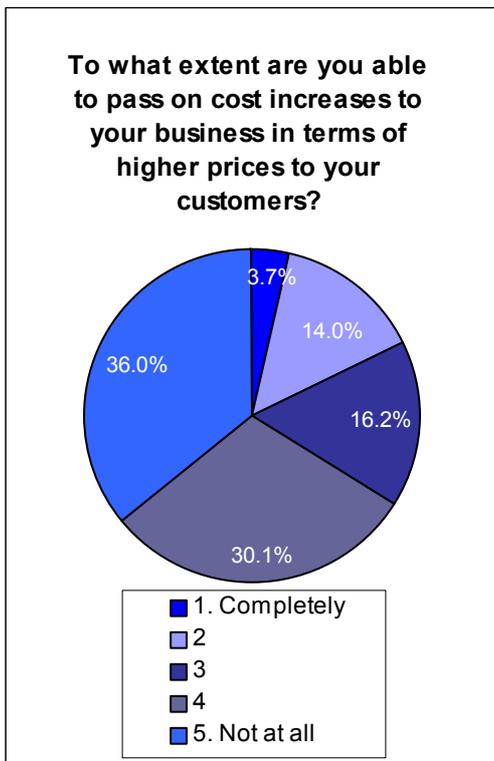
Turnover (£)			
< 1 M	1M-3M	>3M	Total
62.5%	20.6%	16.9%	100.0%

Number of Full-time Employees						
1-10	11-20	21-50	51-100	100+	unknown	Grand Total*
42.6%	33.8%	8.8%	3.7%	5.9%	5.1%	100.0%

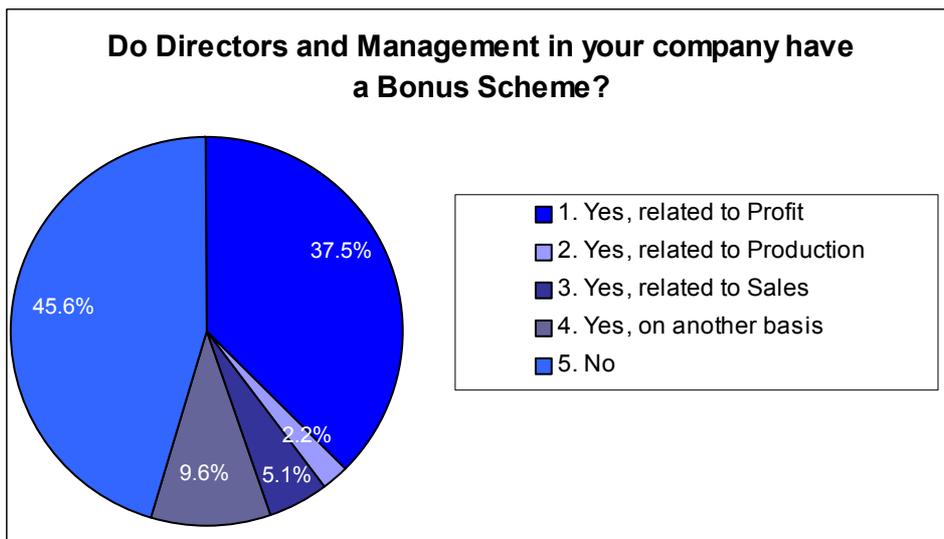
This year’s Budget fell on April 24<sup>th</sup>, the day before our questionnaire was issued. We asked what would be the impact on our panellists’ businesses. The majority felt it to have a negative impact - 8% thought it would be significantly negative. Just over a third thought it was neutral and some, 7%, thought it would have a positive effect.



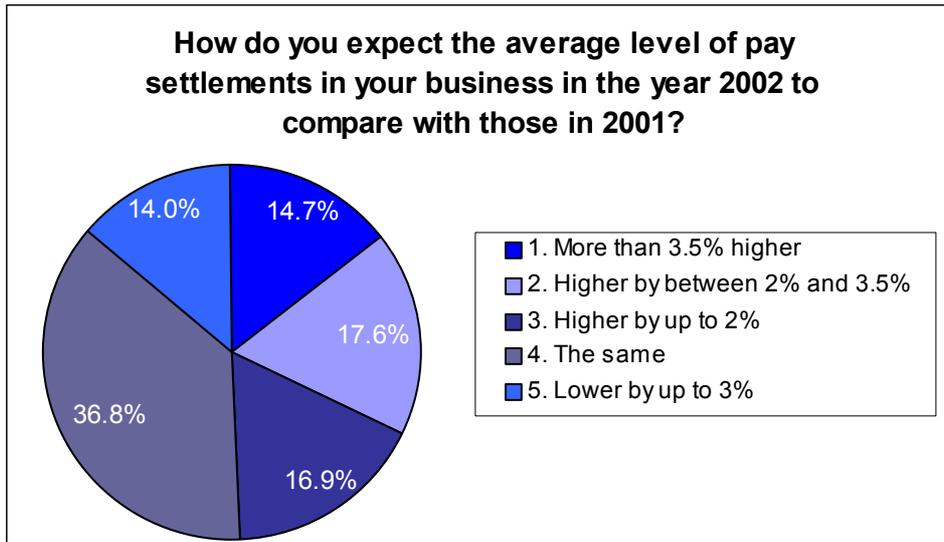
We asked about the sensitivity to cost increases in general and found that over one third of businesses are unable to pass any cost increases at all through via higher prices. Overall costs are highly sensitive to changes in oil prices for about 9% of respondents, graduating down to 20% whose costs are not at all sensitive to oil prices.



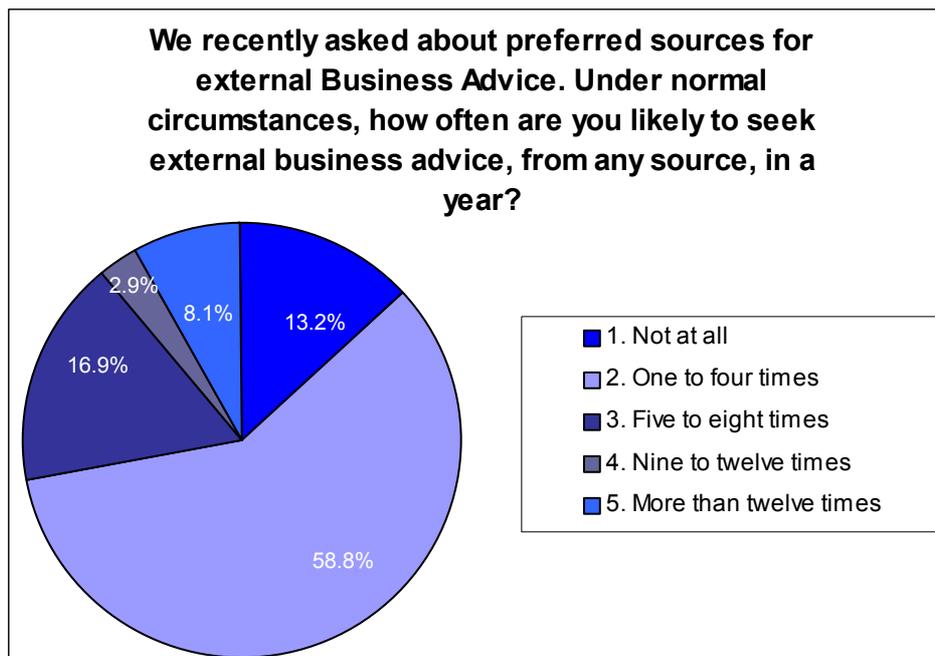
38% of panellists have a bonus scheme related to profit, but 46% do not have any kind of bonus scheme. This compares with July 98, when 55% had profit-related bonus schemes, and 37% had neither profit nor production related bonus schemes.



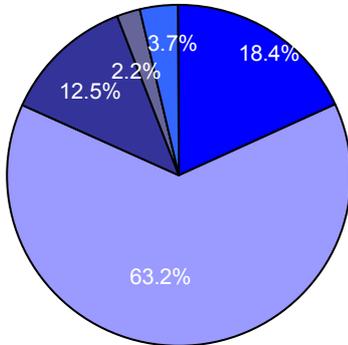
On this year's pay settlements, 49% of respondents expect average levels to increase, 15% percent expect that increase to be more than 3.5%. 14% expect a decrease in pay levels this year. 37% expect pay to stay the same as 2001.



We included six questions on use of business advice this time. 87% said they are likely to seek external advice at least once a year. The follow-up questions addressed financial, marketing, technical, legal and other areas separately. It is probably difficult for companies to define 'external advice' with the same weight across these different categories and the result is that there is some inconsistency between the total of the follow-up questions compared with the general one. 'One to four times' came out of all questions as the most probable number of annual consultations. Even though Marketing emerged as the type of advice avoided by the highest percentage of companies, 45%, 49% expect to need marketing advice 1 – 4 times a year.

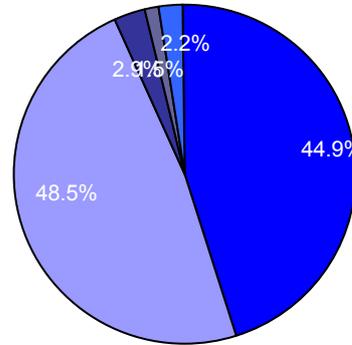


**How often are you likely to seek external business advice on Finance, from any source, in a year?**



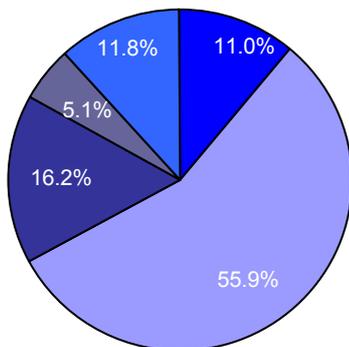
- 1. Not at all
- 2. One to four times
- 3. Five to eight times
- 4. Nine to twelve times
- 5. More than twelve times

**How often are you likely to seek external business advice on Marketing, from any source, in a year?**



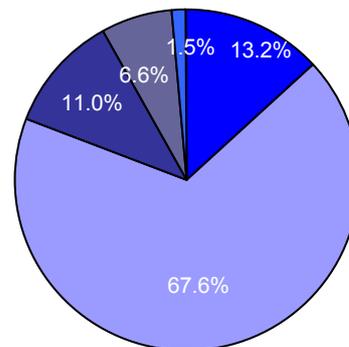
- 1. Not at all
- 2. One to four times
- 3. Five to eight times
- 4. Nine to twelve times
- 5. More than twelve times

**How often are you likely to seek external business advice on Technical problems, from any source, in a year?**



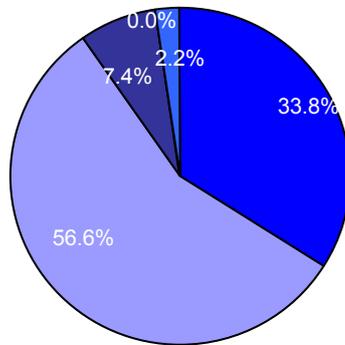
- 1. Not at all
- 2. One to four times
- 3. Five to eight times
- 4. Nine to twelve times
- 5. More than twelve times

**How often are you likely to seek external business advice on Legal issues, from any source, in a year?**



- 1. Not at all
- 2. One to four times
- 3. Five to eight times
- 4. Nine to twelve times
- 5. More than twelve times

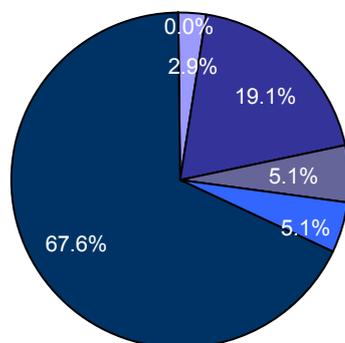
**How often are you likely to seek external business advice on issues other than Finance, Marketing, Technical or Legal, from any source, in a year?**



- 1. Not at all
- 2. One to four times
- 3. Five to eight times
- 4. Nine to twelve times
- 5. More than twelve times

The final question looked at export business with the US, especially whether orders are starting to pick up again. Only one third of our panellists is involved in this area, and the results indicate that most of those involved are seeing orders pretty much at expected levels. In May 2001, 5.8% were seeing higher export orders than usual, compared to only 2.9% in April 2002.

**Taking into account any seasonal factors, to what extent are export orders from the US higher or lower than you would usually expect?**



- 1. Much Higher
- 2
- 3
- 4
- 5. Much Lower
- 6. Not applicable

**Listed below are extracts from feedback received in Survey BB46 March 2002.**

*Comments are listed under sector headings.*

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

### **Catering**

Our employees wage increases go up by the rate of inflation as at the start of our new financial year eg, 1/4/02