

**UKBB/UKBAB press release for November/December reflecting October findings  
BB113/BAB62**

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**Financial turmoil leaves its mark**

The impact of the summer's financial turmoil is still being felt by smaller UK businesses, according to an internet survey run by The University of Nottingham Institute for Enterprise and Innovation (UNIEI).

The global credit crunch and the weakening US housing market – both of which have made it harder and more expensive to borrow money in the UK – appear to have filtered down to all levels of business and have had a lasting effect on financial decision-making.

According to the latest UK Business Barometer, 43 per cent of company bosses now say they will rely less on debt finance in the future – even if this is at the expense of the growth of their businesses.

In an indication of how far-reaching the effects have been, 21 per cent of respondents to the survey said their financial decision-making had been 'highly' or 'reasonably highly' affected by turbulence in the financial markets during summer and autumn 2007. A further 27 per cent indicated that the financial situation had affected their decision-making to some extent.

The parallel UK Business Adviser Barometer (UKBAB) survey found that 30 per cent of business advisers had seen an increase in their clients' requests for financial advice in the wake of turbulence in the financial markets.

The UKBB and parallel UKBAB (UK Business Advisers Barometer) surveys, which are all completed online, assess current business conditions through a series of topical questions aimed at smaller businesses and their advisers. The questions change each month.

The latest pair of surveys come after the Chancellor, Alistair Darling, admitted that the UK economy's growth had been damaged by this summer's financial troubles and the UK growth forecast for 2008 was reduced for the pre-budget report.

Elsewhere in the latest UKBB survey, owners of smaller businesses were asked where they would go for management training. While 16 per cent would seek it at a university and 23 per cent at a Business Link, the most common answer – 49 per cent – was that they would seek it from a private supplier. Only eight per cent would go to a Chamber of Commerce, and only four per cent to a further education college.

The subject of employees wasting company time by surfing the internet was raised in this month's UKBAB survey. Research undertaken by IT bosses in larger firms suggests that employees spend up to 48 minutes per day surfing the web for personal reasons.

But it seems to have become an almost accepted part of modern working life – only nine per cent of respondents said that clients had raised it as a concern. However, one respondent felt that most of his employees spent a lot more than 48 minutes per day on non-work matters, and warned that most staff in junior roles had begun to regard this as "a right not a privilege".

Urban regeneration through the re-development of under-utilised brownfield sites, often in city centres, is becoming more attractive as the prices of centrally located land and premises rise. This is reflected in the percentage of survey respondents who find regeneration is an emerging agenda with

their clients: 41 per cent are 'highly' or 'reasonably highly' aware of this in terms of the opportunities it presents to their clients.

Only four per cent of respondents to the UKBB saw any kind of threat to their businesses from this kind of regeneration, whereas 22 per cent saw the possibility of some opportunity for them.

The UKBB and UKBAB are run by The University of Nottingham and operate over the web to generate very rapid results. The surveys have unique software that enables results to be processed and posted on their respective websites immediately they arrive.

The survey results are published monthly and more information, including a press pack, can be found on the web at [www.ukbb.ac](http://www.ukbb.ac) and [www.ukbab.ac](http://www.ukbab.ac). Businesses and advisers wishing to contribute as panellists on the project should visit the appropriate Business Barometer website to register.

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Notes to editors: The University of Nottingham undertakes world-changing research, provides innovative teaching and a student experience of the highest quality. Ranked by the Times Higher Education Supplement in the world's Top 70 universities, its academics have won two Nobel Prizes since 2003. The University is an international institution with campuses in the United Kingdom, Malaysia and China.

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