

UKBB/UKBAB Press release November 5 2008

## Business gloom shows no signs of lifting

Signs of good cheer in the small business sector are few and far between in the run-up to Christmas, according to an online survey run by The University of Nottingham Institute for Enterprise and Innovation (UNIEI).

When asked how they perceived the outlook for business, 74 per cent of respondents to the UK Business Advisers' Barometer (UKBAB) replied 'quite gloomy' or 'very gloomy'. Those who took the opposite view – that prospects are 'bright', despite the credit crunch and major shocks to the world financial system in recent months – were outnumbered nine to one.

The survey also identified key areas in which the aftershocks of financial meltdown are being felt, such as in access to finance. Three-quarters of respondents said this had worsened since July 2008. In the parallel UK Business Barometer (UKBB), 54 per cent of smaller business owners said they would rely less on debt finance in the future, even if it was at the expense of the growth of their business.

The UKBB and UKBAB surveys, which are completed online, assess current business conditions through a series of topical questions aimed at smaller businesses. The questions change each time the surveys are circulated.

One area that is showing a marked change this month is that of skills shortages for vacancies – possibly a reflection of volatility in the job market and redundancies creating a larger pool of job seekers. Since the July 2008 survey, the average percentage of clients experiencing shortages of appropriately skilled applicants has decreased from 44 per cent to 36 per cent.

In the light of rising unemployment over the last three months, a third of business advisers said they had received more enquiries about starting a business from people being made redundant. From the employers' point of view, reducing staff costs by making posts redundant is an option that 46 per cent of business advisers say is being considered by their clients to a 'high' or 'relatively high' extent.

Some 27 per cent of advisers have seen increases in the number of businesses seeking advice on selling or transferring their businesses during the last three months.

The UKBB and the parallel 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 surveys assess current business conditions through a series of topical questions aimed at smaller businesses and their advisers. The surveys are issued bi-monthly and more information, including results and analyses, 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.

Entrepreneurial activity at The University of Nottingham – encompassing the work of UNIEI and much more besides – received national recognition in October 2008 when the institution was named 'Entrepreneurial University of the Year' at the Times Higher Education Awards.

— Ends —

Notes to editors: The University of Nottingham is ranked in the UK's Top 10 and the World's Top 70 universities by the Shanghai Jiao Tong (SJTU) and *Times Higher* (THE) World University Rankings.

It provides innovative and top quality teaching, undertakes world-changing research, and attracts talented staff and students from 150 nations. Described by *The Times* as Britain's "only truly global university", it has invested continuously in award-winning campuses in the United Kingdom, China and Malaysia. Twice since 2003 its research and teaching academics have won Nobel Prizes. The University has won the Queen's Award for Enterprise in both 2006 (International Trade) and 2007 (Innovation – School of Pharmacy).

Its students are much in demand from 'blue-chip' employers. Winners of Students in Free Enterprise for four years in succession, and current holder of UK Graduate of the Year, they are accomplished artists, scientists, engineers, entrepreneurs, innovators and fundraisers. Nottingham graduates consistently excel in business, the media, the arts and sport. Undergraduate and postgraduate degree completion rates are amongst the highest in the United Kingdom.

**More information** is available from **Rick Eagles**, UNIEI at The University of Nottingham, on +44 (0)115 84 66860, [richard.eagles@nottingham.ac.uk](mailto:richard.eagles@nottingham.ac.uk); or Tim Utton, Deputy Director, Communications, University of Nottingham on +44 (0)115 84 68092, [tim.utton@nottingham.ac.uk](mailto:tim.utton@nottingham.ac.uk)