

UKBAB 55 March 2007 Analysis

March's survey sought views on support agencies with specialised capabilities, unpaid labour, graduates starting up, Blogs and Podcasts and corporate identity theft plus the quarterly trends questions.

In total 176 Business Advisers responded to this Survey.

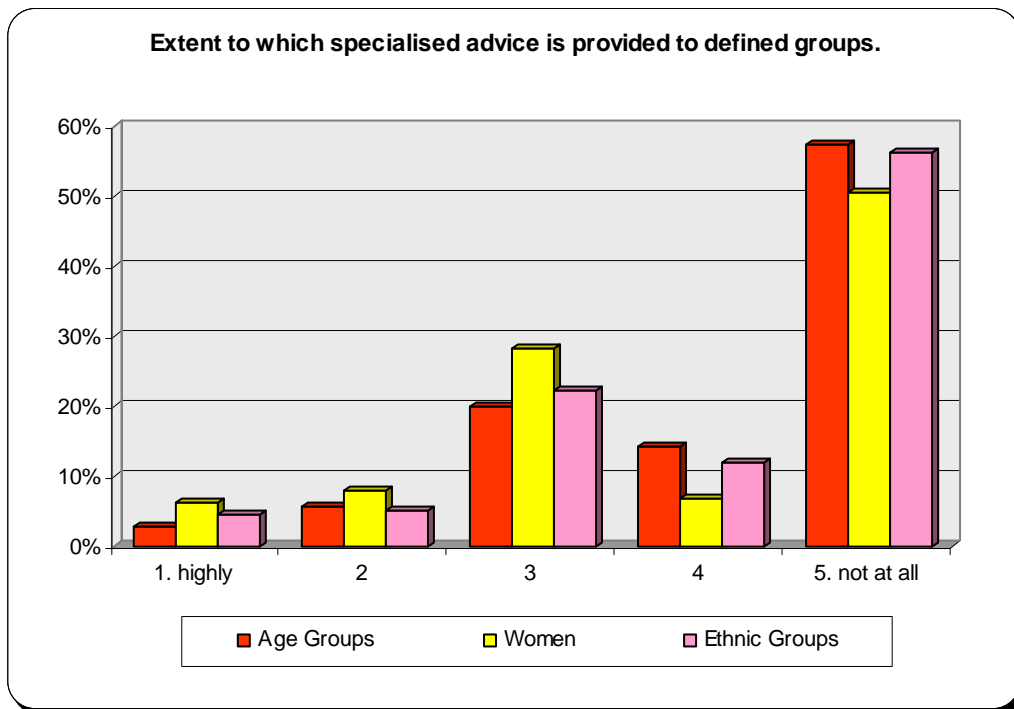
Survey Findings

It is sometimes claimed that different groups, as defined through characteristics such as age, gender and ethnicity, are looking for support agencies with specialised capabilities targeted at their group to help them start and build their businesses.

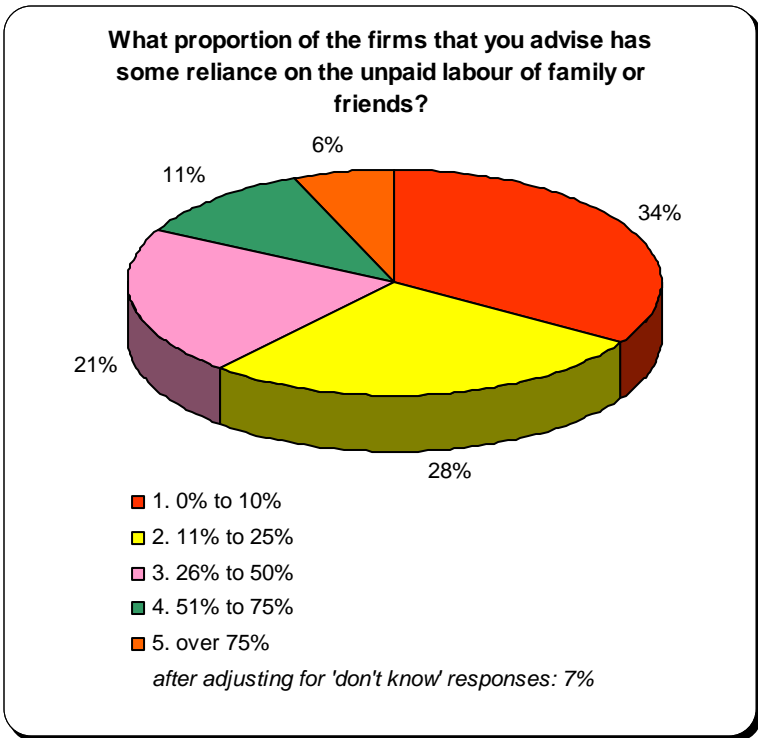
Members of the panel were asked to what extent they provide advice to defined age groups, women and ethnic groups. The responses showed that although a small proportion provide specialised advice, the large majority do not. The percentages providing specialised advice to defined age groups to a high or reasonably high extent were:

Age Groups	9%
Women	14%
Ethnic Groups	10%

The question attracted a number of individual contributions from respondents mostly themed around the thought that all these groups face similar problems which are also the same as the problems faced by anyone starting in business, especially with regard to obtaining funding. These all also said or implied that business advisers should be competent to advise in all aspects and circumstances. One commentator thought that some groups had a reluctance to accept advice plus poor basic skills and lack of planning ability.



The National Statistical Office Labour Force Survey reported that in the Nov – Jan 2007 quarter there were 100,000 unpaid family workers in the UK.



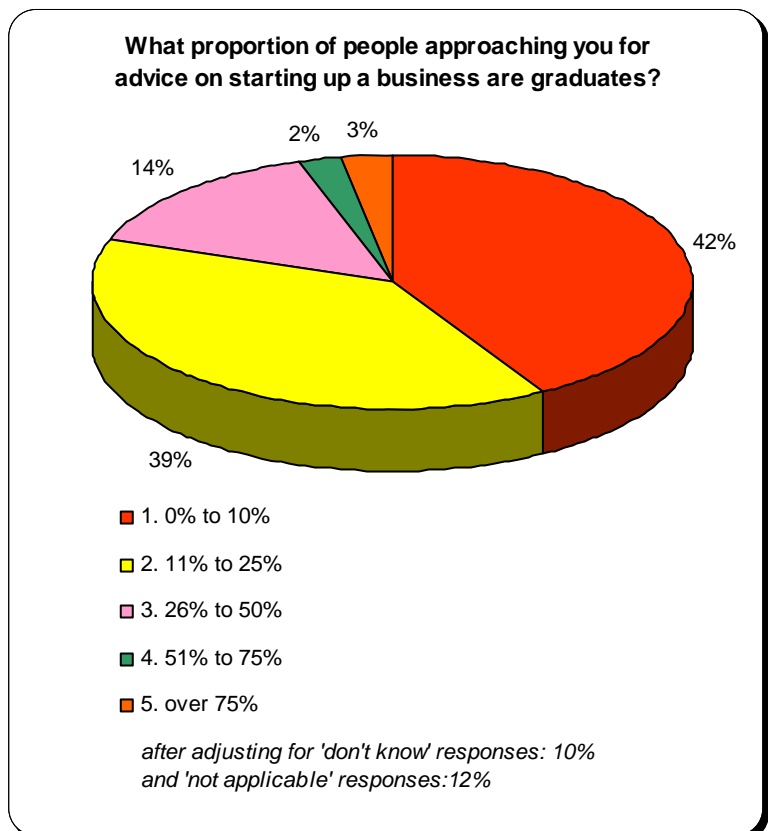
In the March 2007 UKBAB survey, advisers were asked what proportion of the firms they advise has some reliance on the unpaid labour of family or friends. 34% said less than 10% and 49% said between 10% and 50%, after adjusting for 'don't know' responses.

The parallel monthly survey of smaller businesses, the UKBB, found that 38% of respondents never rely on unpaid family or friends' labour and 26% very rarely do so. Smaller responding businesses, in terms of turnover, rely more on unpaid labour than larger businesses, with 23% of businesses with turnover less than £1M needing family or friends to help out as 'volunteers' on a daily, weekly or monthly basis.

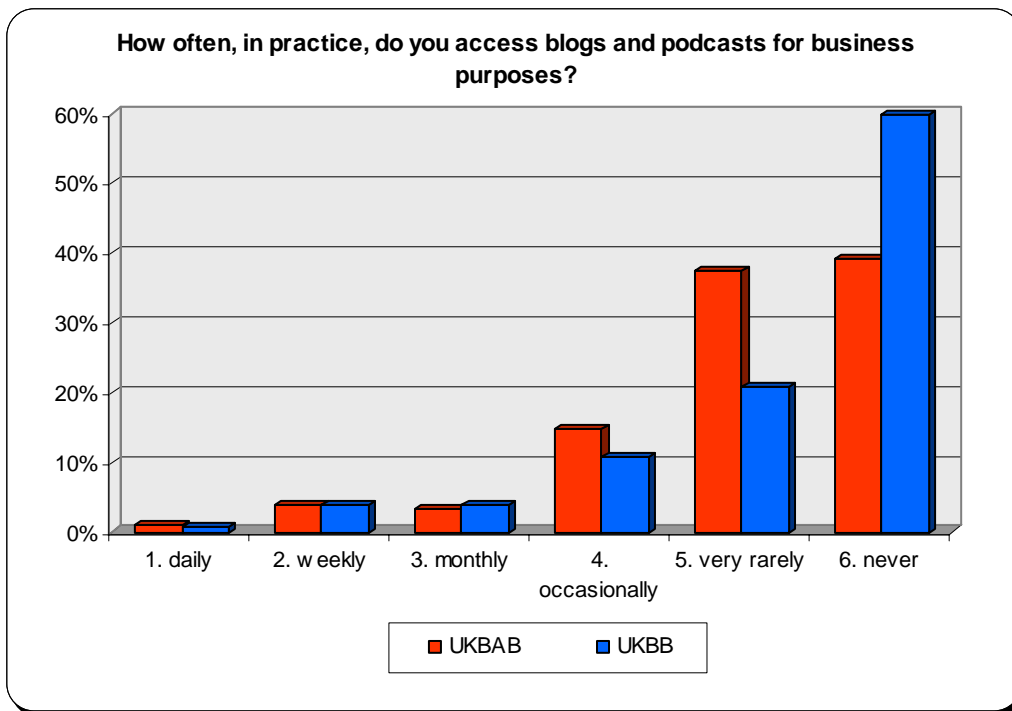
The National Council for Graduate Entrepreneurship was founded in 2004 to encourage an increase in the number and sustainability of graduate start-ups. Business Advisers were asked what proportion of clients seeking start-up advice are graduates.

The percentage of graduates seeking advice from UKBAB respondents remains low: 42% of responding business advisers say that less than 10% of their clients are graduates and only 5% think that more than half of their clients hold degree-level qualifications.

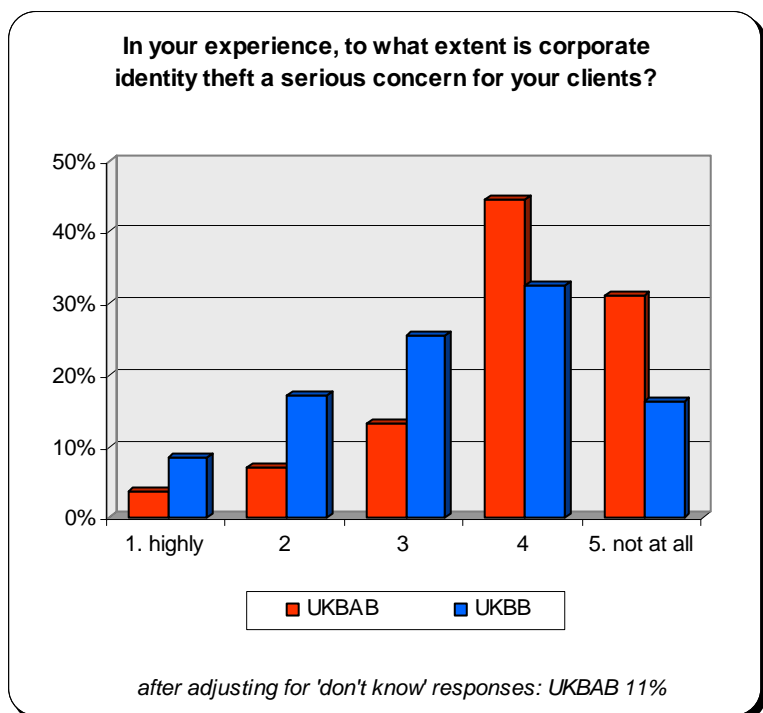
One respondent commented that the more educated clients are, the less likely they will understand how to run a business!



Blogs and Podcasts are being referred to more regularly in national media. Typing in the phrase "business Blogs" in a search engine recently resulted in 355 million worldwide references being retrieved. There are so many that some websites simply compile lists or directories of "best" or "top" business Blogs. However, in spite of all the attention, 39% of respondents never access Blogs and Podcasts for business purposes and 38% do so very rarely. The same question was asked of the panel of businesses in the parallel UKBB survey, with similar results: 81% access Blogs and Podcasts only very rarely or never, for business purposes.



Corporate Identity theft occurs when somebody uses the name of a business and other information for fraudulent purposes. Concerns are growing about the occurrence of this type of crime, alongside that of personal identity theft. There are a number of different crimes which fall under this heading, including fraudulent emails sent to possible clients in order to obtain personal details, and fraudulent changes to companies' registrations with Companies House, in order to divert payments and deliveries from suppliers.



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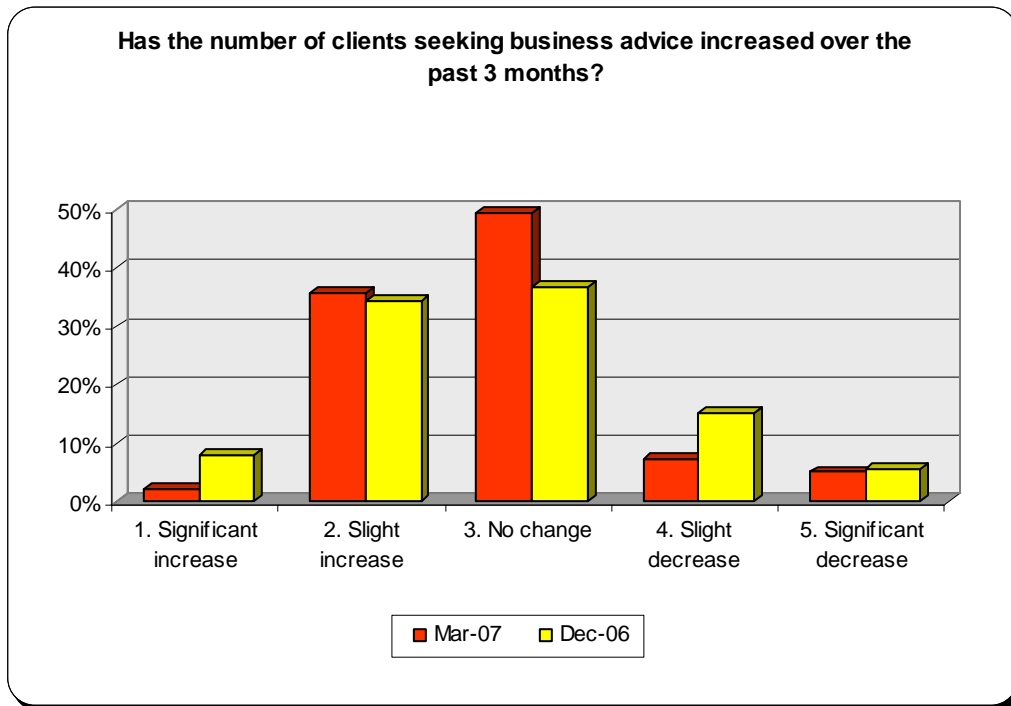
The majority of respondents to the UKBAB March 2007 survey think that their clients are fairly relaxed about this risk, with 76% saying that clients are not at all, or not much concerned. This was reinforced by a comment sent in by a respondents, who said that clients are frequently warned about the types of theft and fraud that are prevalent threats to small businesses, and that clients are often not persuaded until current examples are quoted.

In the UKBB parallel survey,

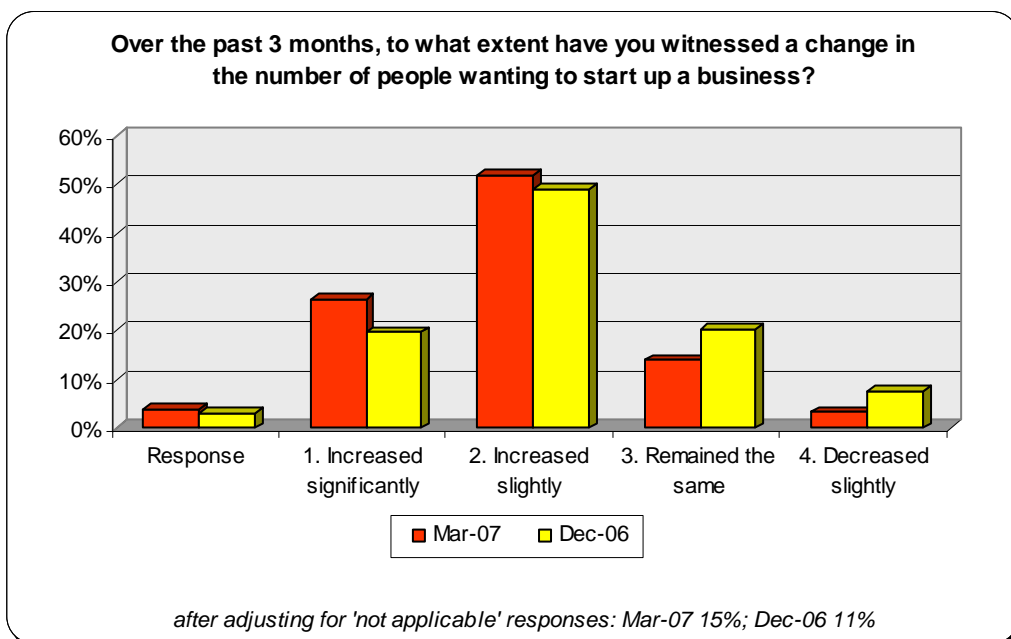
businesses were asked directly how much they were concerned about corporate identity theft. Respondents to this survey ranged from being fairly relaxed about this risk, with 49% not at all, or not much concerned, to being very apprehensive, with 26% being highly or reasonably highly concerned.

Trends Questions

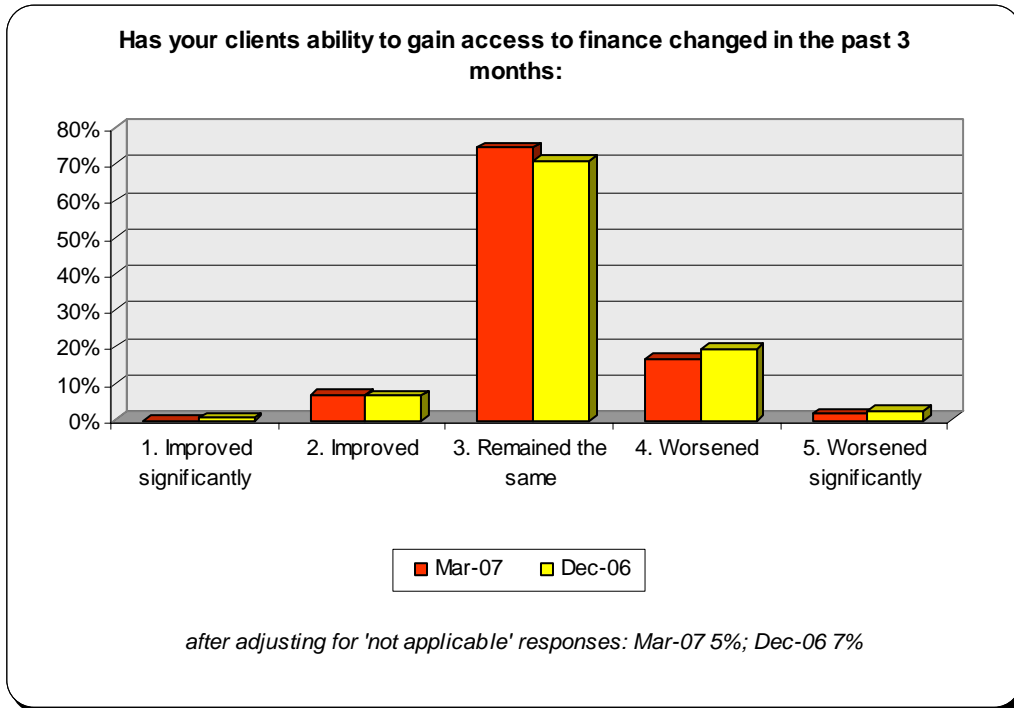
The average number of clients seeking business advice continued to increase in the first quarter although at a slower rate, and 49% reported no change. The number of advisers experiencing increases in enquiries continued to outpace the number experiencing decreases in enquiries.



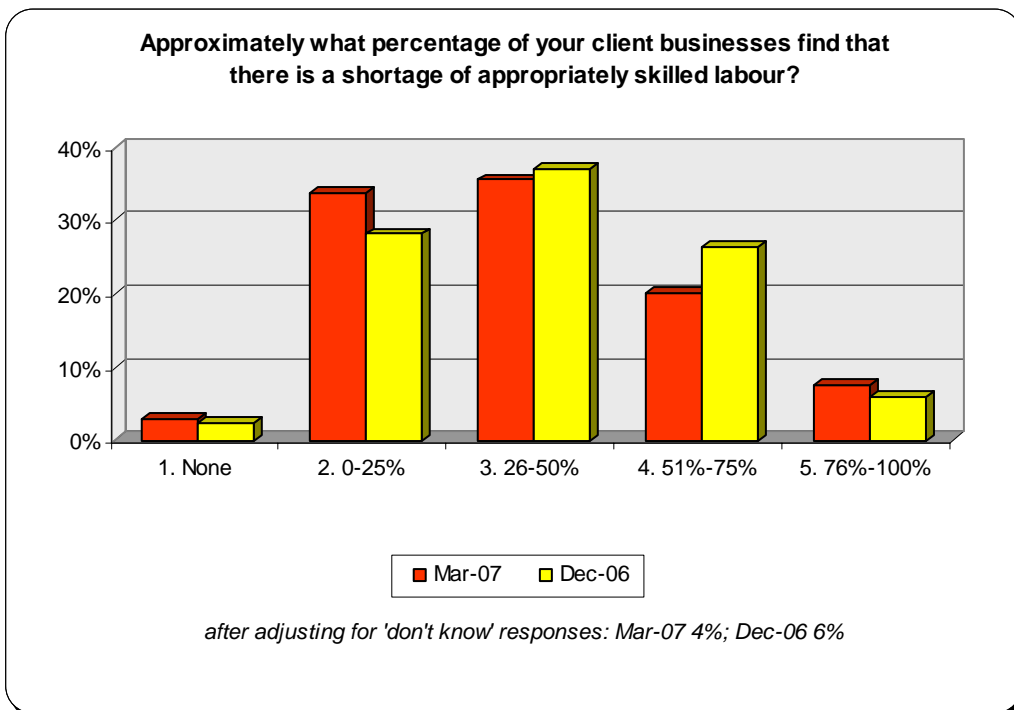
The first quarter results for the number of people wanting to start a business showed an increase from the December position. This indicator is seasonal and usually shows increases in the March quarter.



The index of ability to gain access to finance rose by 1% compared to the fourth quarter last year but is still showing on average, in absolute terms, that access to finance is slightly worsening.

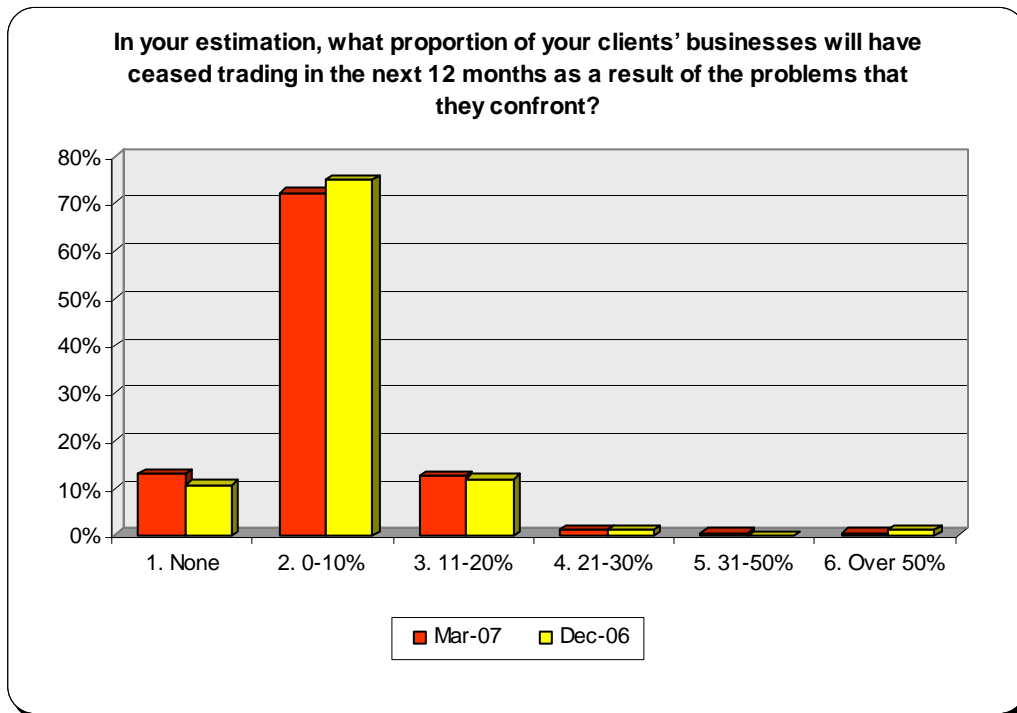


The index of the number of Advisers' clients finding that there is a shortage of skilled labour decreased by 6% on average during the first quarter 2007.



In the March quarter, Advisers were a little less pessimistic about the continuance of their clients trading over the next year.

Although 13% of Advisers still consider that none of their clients will close over the next year, 72% thought that up to 10% of their clients might cease trading compared with 75% in the December quarter. There was a small increase in expectations of higher numbers of business cessations: 15% in March 2007, compared with 14% in December 2006.



Listed below are some of the personal views supplied in feedback received from respondents to Survey BAB55 March 2007

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

Questions 1 to 3:-

To what extent do you specialise in providing advice to particular age groups?

To what extent do you specialise in providing advice to women?

To what extent do you specialise in providing advice to ethnic groups?

Re questions 1 to 3 I have selected answer 3 as I do not differentiate support due to any grouping etc. Perhaps you should have included that kind of answer with the question.

With reference to the first three questions, we regard the asking of the first three questions as redundant. If a business advice organisation is responding to market demand it will be geared up to helping the various minority groups that seek their services. Too much is being made of the disadvantaged minority group and diversity. No matter who seeks assistance in business advice the adviser should be competent enough to deal with all aspects. I have recently been through a series of diversity training courses, at each course the same problems were iterated for their minority group. The ethnic group said they had difficulty getting funding, the single parents group said they had difficulty getting funding and the disabled said they had difficulty getting funding. Everybody starting in business has difficulty getting funding if they do not have the capital to start the business themselves. The only area where there was an issue was that with single parents they require child minding facilities to free themselves up when starting their business

I believe in equal opportunity. I, with all of my colleagues both male and female, object to being asked to give priority to any group of persons. I/we give all our clients the best advice within our capabilities without regard to ethnicity, sex sexual orientation or any other irrelevant segmentation.

Our biggest industry is tourism and we are always busier this quarter than any other quarter of the year as people 'gear up' for the summer season.

As regards identity theft and fraud, we stress the prevalence of both as threats to business throughout our training and one-to-one sessions. Usually, our clients are incredulous till we illustrate our points with current examples. From there on, we hope they take on board that these are not just threats to "big" business but to themselves.

I have found the more educated they are, the less likely they will understand - how to run a business.