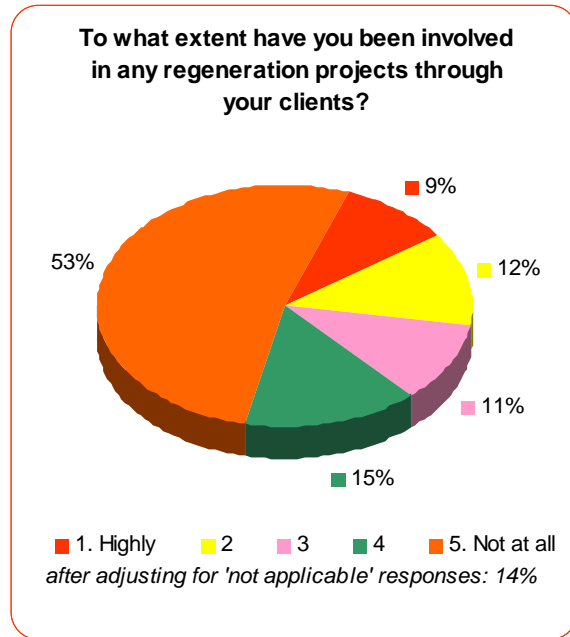
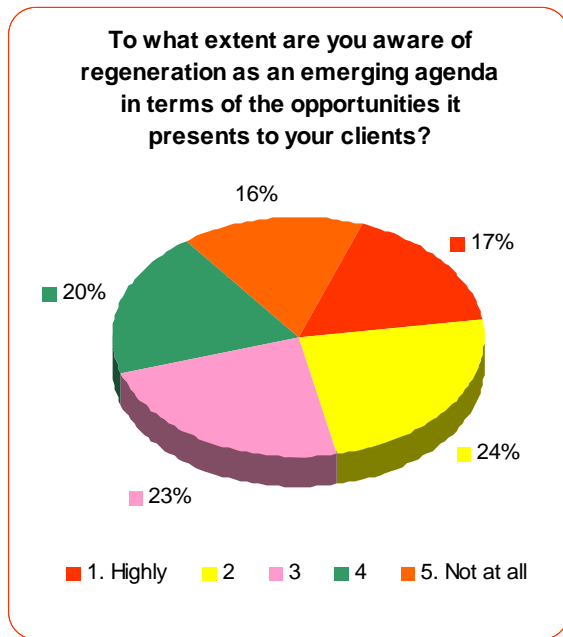


UKBAB 62 October 2007 Analysis

For the October survey we invited panellists to give their views on Urban regeneration, recent turbulence in financial markets, business books as a resource, business mentors (other than the panellists themselves), local business networks, businesses perceived as being 'small', regular chats about business related matters, community / social enterprise start ups, management training and clients with staff surfing the web for personal reasons. The total number of respondents taking part in the UKBAB Survey was 335.

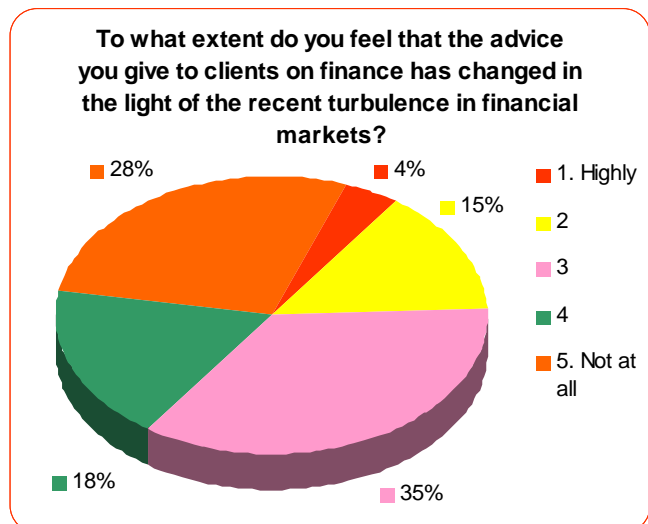
Survey Findings

Urban regeneration through the re-development of under utilised brownfield sites, often in the city centres, is becoming more attractive as the prices of centrally located land and premises rise. This is reflected in the percentage of respondents who find regeneration is an emerging agenda with their clients: 41% are highly or reasonably highly aware of this in terms of the opportunities it presents to their clients, and 21% (after adjusting for 'not applicable' responses) have been highly or relatively highly involved in regeneration projects through their clients. A panellist commented that "the area of urban regeneration is not fully appreciated as a driver of business growth and development"



The Chancellor, Alistair Darling, said that the UK economy's growth has been damaged by this summer's financial turmoil and the UK growth forecast for 2008 was reduced for the pre-budget report. The global credit crunch and the weakening US housing market were the prime factors that are likely to make it harder and more expensive to borrow money in the UK.

Panellists were asked to what extent their advice to clients has changed in the light of the recent financial market turbulence, and 19% said their advice has changed highly or relatively highly although 46% say that their financial advice has not been affected very

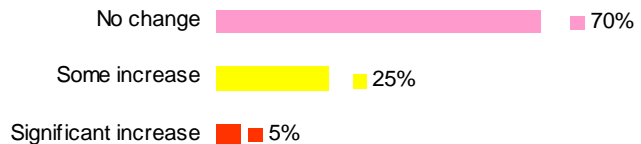


much, if at all. Several panellists pointed out that they are not financial advisers – consequently their responses will be included in the latter categories but one panellist commented that “the impact has yet to be fully felt – watch out in Q1 2008!”

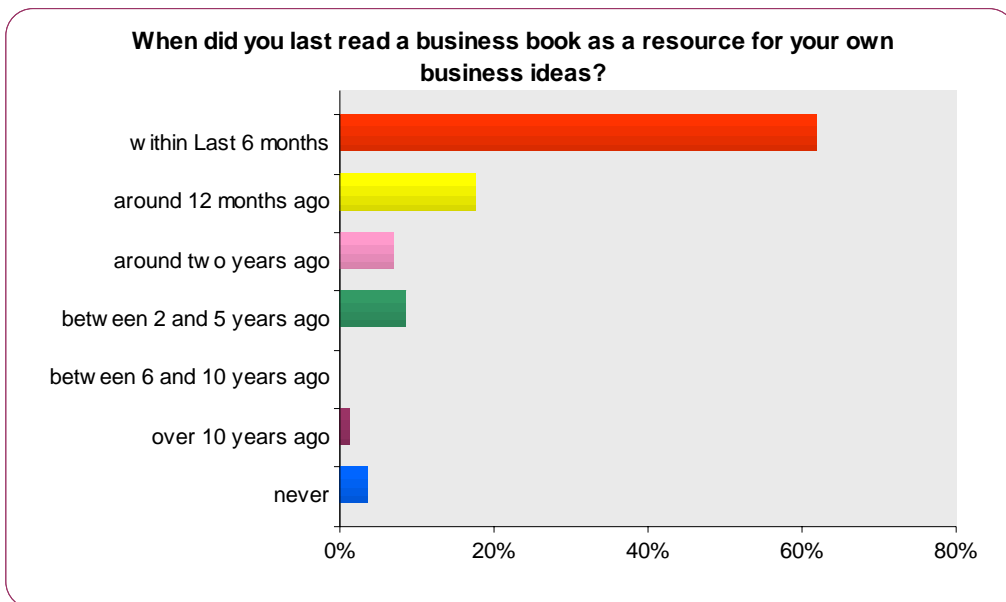
25% of respondents have noticed some increase in client's requests for advice on financial matters recently, and 5% say that they have had a significant increase in these requests.

In the parallel survey of smaller businesses, the UKBB, 21% of respondents say that their financial decision making has been highly or reasonably highly affected by the recent financial turmoil although 52% say that their financial decision making has not been affected very much, if at all.

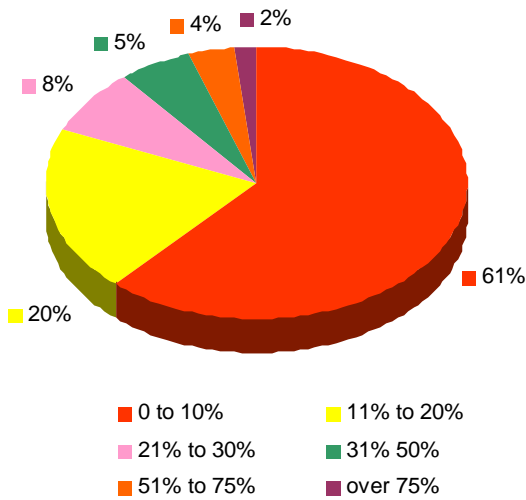
To what extent have you noticed an increase in your clients' requests for advice on sources and uses of finance in the wake of recent market turbulence?



There is a plethora of books on offer to provide businesses with advice of all kinds. The majority of respondents to the question have read a business book within the last 6 months: 62%. 17% think they last read a business book around 12 months ago and the remaining 21% confess it is much longer, or have never read one as a resource. Most of our respondents therefore do conform to the comment sent in by one panellist: “....Come on – Get real! Business Advisers are continuously updating their skills and market knowledge! As soon as I've finished one, I start the next!”



What percentage of your clients have business mentors (other than yourself)



This survey goes to business advisers offering differing types of expertise to their clients and amongst them are some who specialise in mentoring. For these, the question on mentoring seemed a little odd. However, the results show that for 38% of advisers more than 10% of their clients have business mentors other than the respondents themselves.

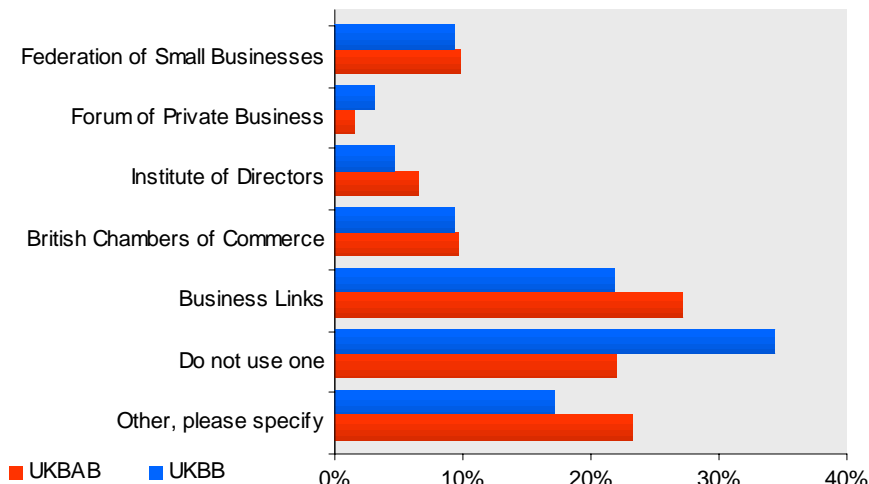
Results from the UK Business Barometer survey of smaller businesses showed that nearly one third of respondents to that survey run mentoring schemes for their staff (after adjusting for 'not applicable' responses), and another 6% are planning to introduce one in the near future.

The panellists of both the UK Business Adviser Barometer and the parallel survey of smaller businesses, the UKBB, were asked which business group or local business network they use.

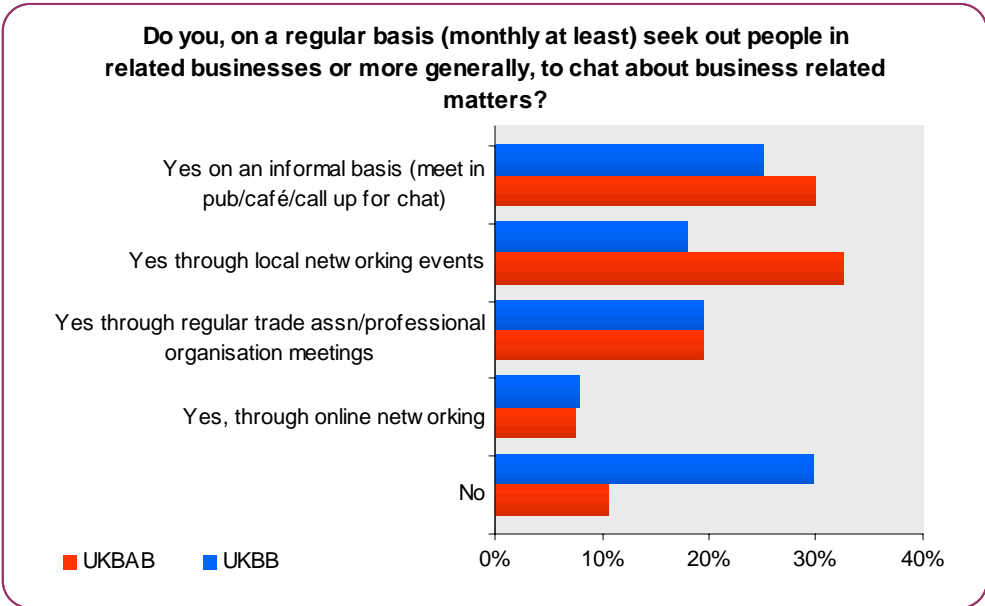
27% of UKBAB respondents use Business Link, but 22% do not use a group and 24% specified an alternative group, ranging from professional institutes and associations to local business clubs and special interest groups (all are listed, with the other comments at the end of the analysis). There were many comments from this set of respondents saying that they belong to several groups, not just one.

34% of UKBB respondents do not use a group at all, but 22% use Business Link and 9% use the FSB. 17% are members of other groups which are wide ranging, and cover special interest and industry associations, stand alone local business clubs and professional institutes. Several respondents also separately commented that they belong to more than one network.

If you use the services of a business group or local business network, which one do you use?

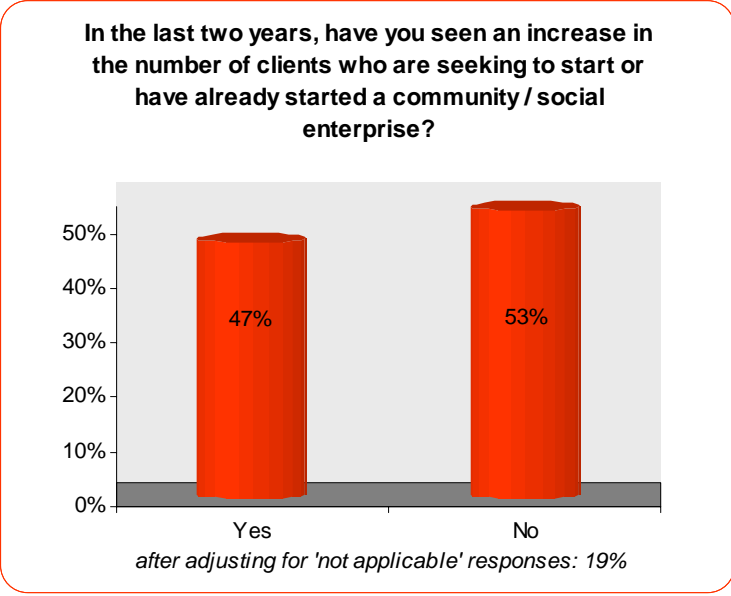


Connecting with like-minded people to chat about business is an activity practised by the majority of respondents to the UKBAB and also a (slightly smaller) majority of the smaller businesses who respond to the parallel UKBB survey. 89% of UKBAB respondents do so regularly, at least monthly, and the greatest percentage (32%) does so through local networking events. Online networking emerged as the least popular medium with both sets of respondents, although more than one respondent sent in a comment saying that they could have chosen several or all of the YES options shown in the chart below (the question forced a single choice).



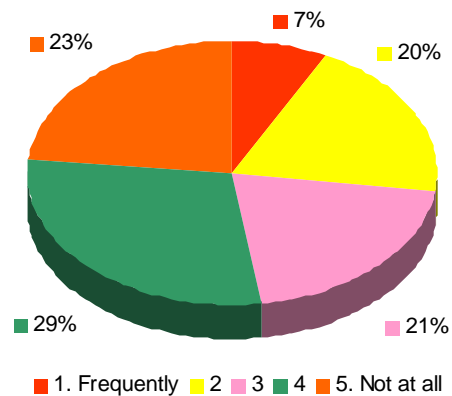
The Social Enterprise Action Plan was published back in 2002 and the government is continuing to press RDAs and local authorities to encourage the formation and development of social enterprise. Appointments have recently been announced of Social Enterprise Ambassadors to promote and explain the concept more widely.

After adjusting for 'not applicable' responses, 47% of respondents have seen an increase over the last two years in the number of clients trying to start or operating a community/social enterprise.

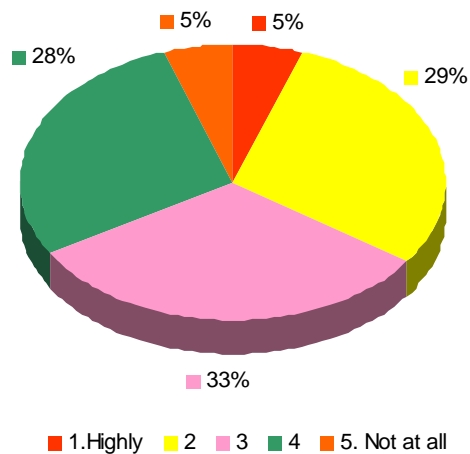


Recent research has shown that customers can be put off if the businesses with which they are dealing are perceived as 'small'. 27% of respondents say that their clients frequently or relatively frequently raise this with them as one of their problems, while 52% say it is rarely or never raised.

How often have clients raised the problem of customers being put off because of being a small business?



If and when you discuss management training as an option for clients, to what extent are they receptive to the idea?



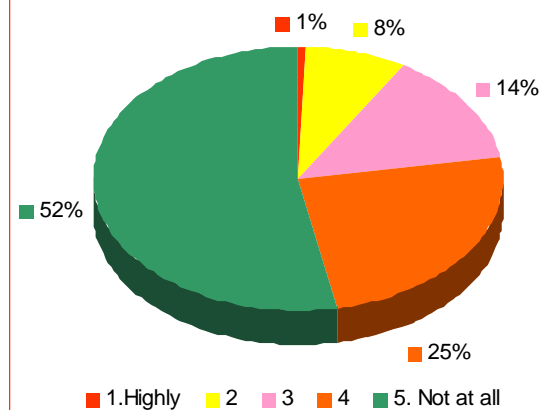
after adjusting for 'not applicable' responses: 6%

One of the difficulties for smaller businesses is to identify and match a skills weakness to the appropriate training course, although not all smaller businesses are receptive to the idea of receiving this training. In this month's survey, after adjusting for 'not applicable' responses, 33% of respondents said that clients were either not at all or not very receptive to this idea while 34% of responding advisers find their clients are highly or reasonably highly interested.

In the UKBB survey of smaller businesses, panellists were asked who they would choose if they were looking for management training. Nearly half of the respondents (49%) would turn to private training suppliers while nearly one quarter (23%) of them would prefer management training provided by Business Link and 16% would choose a University.

Research undertaken by IT bosses in larger firms leads them to believe that employees spend up to 48 minutes a day surfing the web for personal reasons. Only 9% of respondents find that clients are raising this with them as a concern to a high or reasonably high extent. One of the comments on this topic was: "Clients are seeking advice on how best to monitor staff private use of internet during office hours", but from the perspective of a 'not at all' response, another respondent thought this was "because they're all at it!" The issue was summed up by another contribution by a respondent: "Most employees who can use the internet spend quite a lot more than 48 minutes on non-work matters (if they are mainly sedentary). I think most staff now regard this as a right and not a privilege in more junior roles. We need to think about what 'work' means in this context."

Extent to which clients are raising their concern about time spent by employees in personal web-surfing.



Listed below are some of the personal views supplied in feedback received from respondents to Survey BAB62 October 2007

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

Q1 - but also the threats it poses in relation to increasing costs.

1. Urban regeneration through the re-development of under utilised brownfield sites, often in the city centres, is becoming more attractive as the prices of centrally located land and premises rise. To what extent are you aware of regeneration as an emerging agenda in terms of the opportunities it presents to your clients? *

1. Highly 2 3 4 5. Not at all

Q2 - but community-led so grant funded rather than statutory

Q2 my work on regeneration was in the early 1980s when it was an "emerging theme"!

2. To what extent have you been involved in any regeneration projects through your clients? *

1. Highly 2 3 4 5. Not at all 6. Not applicable

Question 5 might have told you even more if there were buttons for last 6 weeks and last 6 days! Come on - Get real! Business Advisers are continuously updating their skills and market knowledge! As soon as I've finished one, I start the next!

5. (optional) There is a plethora of books on offer to provide businesses with advice of all kinds. When did you last read a business book as a resource for your own business ideas?

within Last 6 months
around 12 months ago
around two years ago
between 2 and 5 years ago
between 6 and 10 years ago
over 10 years ago
never

I speak as a business adviser who went into this field 15 years ago and has been very busy since! Mainly work with sole traders/ small organisations - more flexible about internet use than larger organisations.

Q9 Professional marketing people are always consulting / meeting up etc.

9. Do you, on a regular basis (monthly at least) seek out people in related businesses or more generally, to chat about business related matters? *

Yes on an informal basis (meet in pub/café/call up for chat)
Yes through local networking events
Yes through regular trade assn/professional organisation meetings
Yes, through online networking
No

re 12 - because they're all at it!

Clients are seeking advice on how best to monitor staff private use of internet during office hours

12. Research undertaken by IT bosses in larger firms leads them to believe that employees spend up to 48 minutes a day surfing the web for personal reasons. To what extent are your clients raising this as a concern in their discussions with you? *

1. Highly 2 3 4 5. Not at all

I stress acquisition of additional management skills to every client from first meeting.

Many clients want to discuss training but when it comes to paying they are much less forthcoming!

There are many networks for small businesses, most of the members are very small or 'micro' businesses. Current legislation and fiscal processes do not encourage them to grow.

Q8 I find, even marketing to large companies, that small and a "man to talk to" is considered a "good thing".

Q8. Implicit rather than explicit. On the other hand we have an impressive client list which counterbalances this.

8. Recent research has shown that customers can be put off if the businesses with which they are dealing are perceived as 'small'. In your conversations with clients, how often has this been raised by them as a problem? *

1. Frequently 2 3 4 5. Not at all

Q11 Some management training is despised - considered irrelevant, academic etc. The "good stuff" is recognised as such, and is usually a mix of on the job and linked learning.

Question

11

I would not use the term "management training" since nearly all of the work done with managers is better done by mentoring or coaching. Training is too broad brush an approach. If you have 10 managers in the same room each would require different intervention. Personal mentoring / coaching or group coaching would invariably be my recommendation.

11. If and when you discuss management training as an option for clients, to what extent are they receptive to the idea? *

1.Highly 2 3 4 5. Not at all 6. Not applicable

As Chairman of one of five Sirolli model enterprise facilitation projects I cannot understate their impact on the deprived neighbourhoods they are delivered within.

I was also at the BERR New Enterprise Framework consultation at Manchester yesterday which was a fantastic resource for original, honest, experienced and passionate suggestions for Rt Hon John Hutton to take away. One key point raised more than once was the opportunity of non-traditional business / idea support mechanism such as those advocated in projects such as Sirolli and similar. Current traditional business advisors are missing a massive pool of potential new start-ups that need to be engaged.

I mainly do IIP but do get involved in other subjects. I think some questions about the degree of formality on business planning, staff management/communications, training would be useful (esp since the demise of Training Boards and many Apprenticeship schemes)

Most employees who can use the internet spend quite a lot more than 48 minutes on non-work matters (if they are mainly sedentary). I think most staff now regard this as a right and not a privilege in more junior roles. We need to think about what 'work' means in this context.