

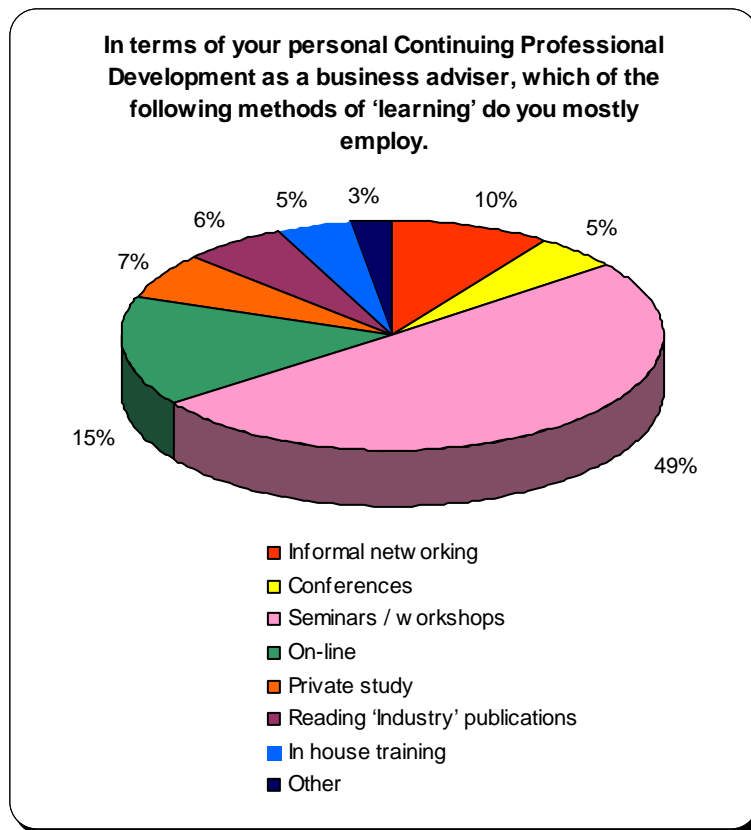
UKBAB 49 September 2006 Analysis

For the September survey we invited panellists to give their views on Continuing Professional Development, membership of a professional body, capitalisation of Start Ups, resistance to change in organisational culture and training for innovation. We also asked if clients believe that "The customer is always right" and this month sees the usual quarterly trends questions.

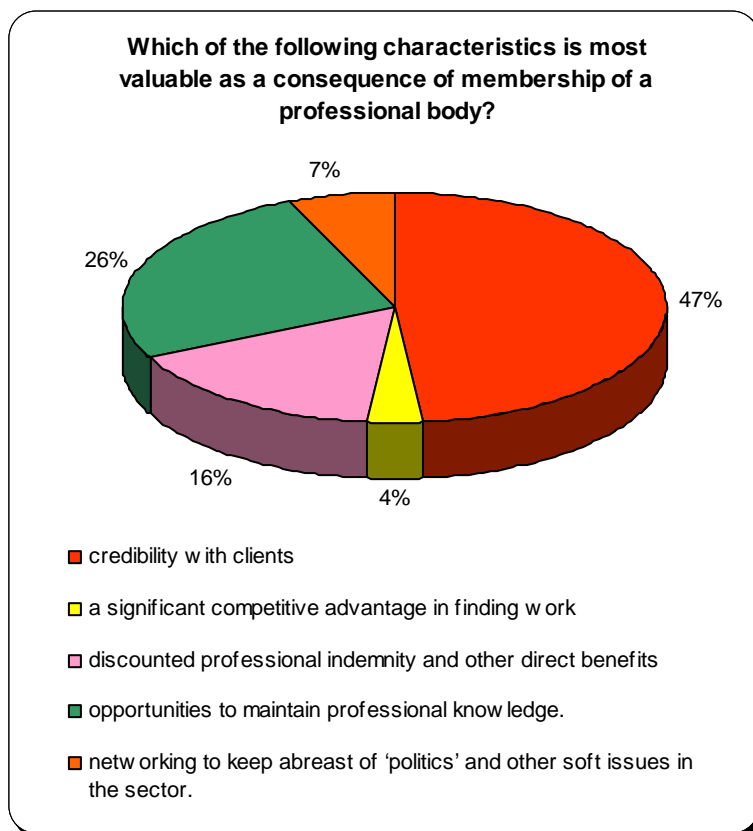
In total 199 Business Advisers responded to this Survey.

Survey Findings

In the September UK Business Adviser Barometer survey, seminars and workshops came out streets ahead of any other means of CPD when we asked panellists which method of learning they mostly employ, although some respondents added comments saying that they used many different approaches to CPD..

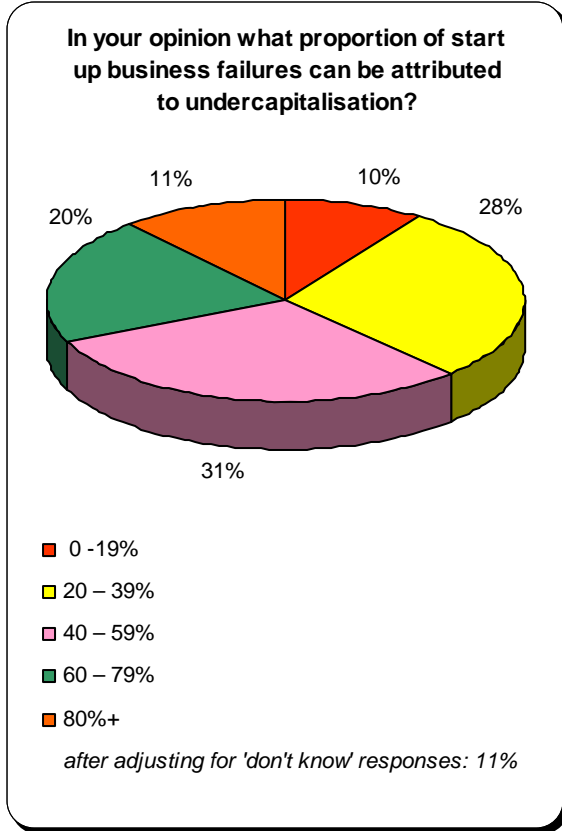
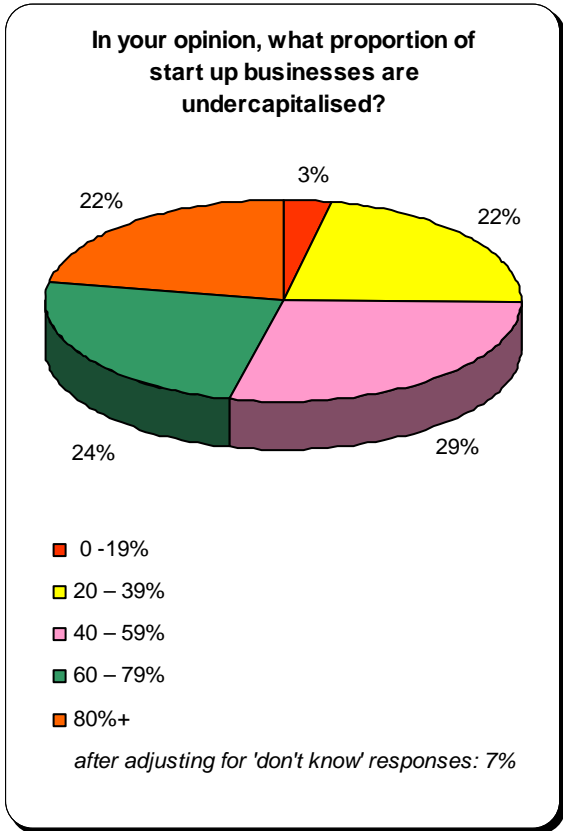


Panellists were asked what they most value about membership of a professional body. 42% of respondents to the UKBAB find that the greatest value from membership is that it gives credibility with clients while 26% say that they gain most value from the opportunities to maintain professional knowledge. One respondent commented that they have many reasons for belonging to a professional body – a view most probably supported by others, but this time the question was designed to find out which benefit members value the most.



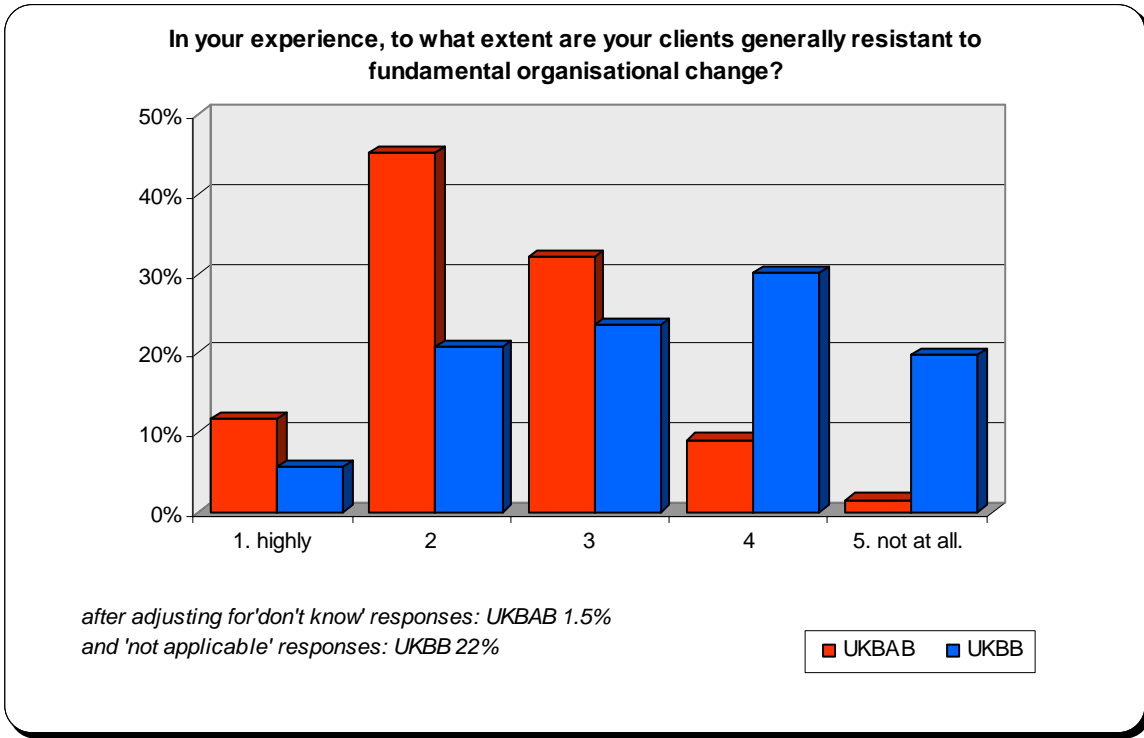
When asked what proportion of start-up businesses are under-capitalised, UKBAB respondents were spread across the range of options presented to them. Only 3% said less than 20% of start-ups while 29% thought that it is between 40% and 59% that are undercapitalised.

Asked what proportion of failures of start-up businesses can be attributed to under-capitalisation, again responses were spread.



57% of Advisers responding to the UK Business Advisers Barometer survey have found that their clients tend to resist fundamental organisational change to a high or relatively high extent.

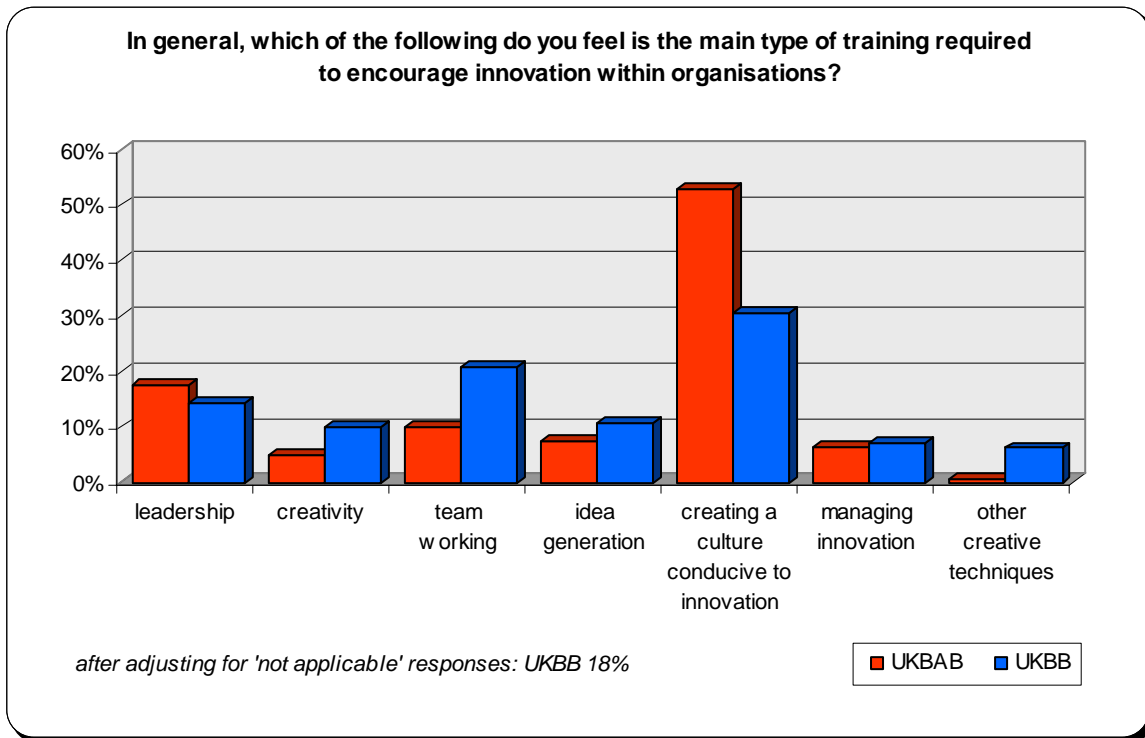
In the UK Business Barometer survey, which polls smaller businesses, panellists were asked how much their employees resist change in the organisational culture of their business. 50% of UKBB respondents say that their employees do not resist change in their organisational culture at all, or not much.



If innovation makes a significant contribution to economic growth then encouragement of innovation within firms is likely to be desirable no matter how small the company.

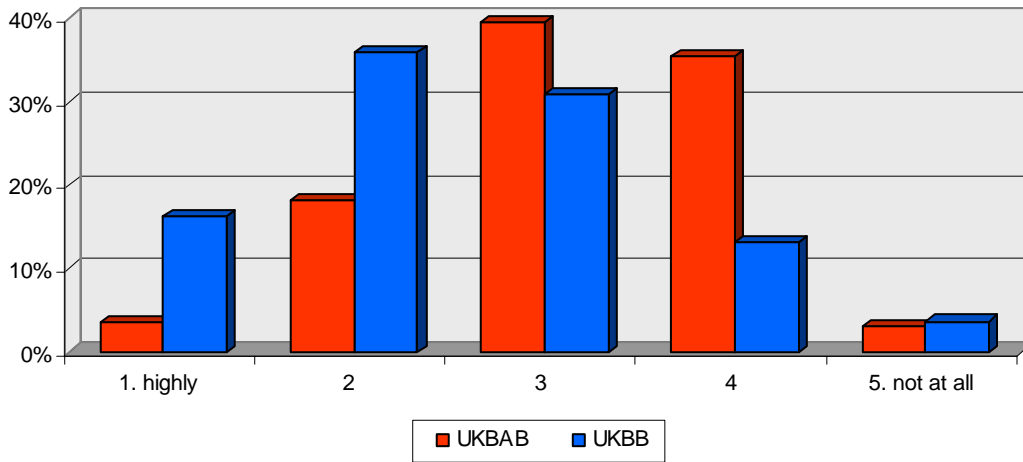
In the UK Business Advisers survey, panellists were asked which type of training generally is best to encourage innovation within organisations. 53% of responding Advisers thought that training towards creating a culture conducive to innovation is the most important while 18% thought leadership training would be most effective ..One comment pointed out that leadership needs to be combined with all the other items listed plus unless a company regularly reviews working methods and learns from other organisations by , networking and possibly online sharing, there is less chance for innovation.

In the parallel UK Business Barometer survey of smaller businesses, respondents were divided on whether they thought training was required in their organisation or not, - 18% said the question was not applicable. Of those who answered in the other categories, 31% thought that training towards creating a culture conducive to innovation is the most important and 21% thought that training in team working is the most important. Training in leadership gained support from 14%.



Panellists of the UK Business Adviser Barometer for September were asked to what extent their clients actually believe in practice that “the customer is always right”. Their responses were fairly negative, with 39% selecting the lowest two categories and only 22% choosing the top two. Respondents to the UK Business Barometer survey were asked whether they themselves believe this in practice and it seems they do mostly agree to a fairly high extent that “the customer is always right”. 52% chose the top two categories, but a substantial number disagree: 17% selected one of the lowest two categories.

“The customer is always right.” To what extent do you feel your clients actually believe this in practice?

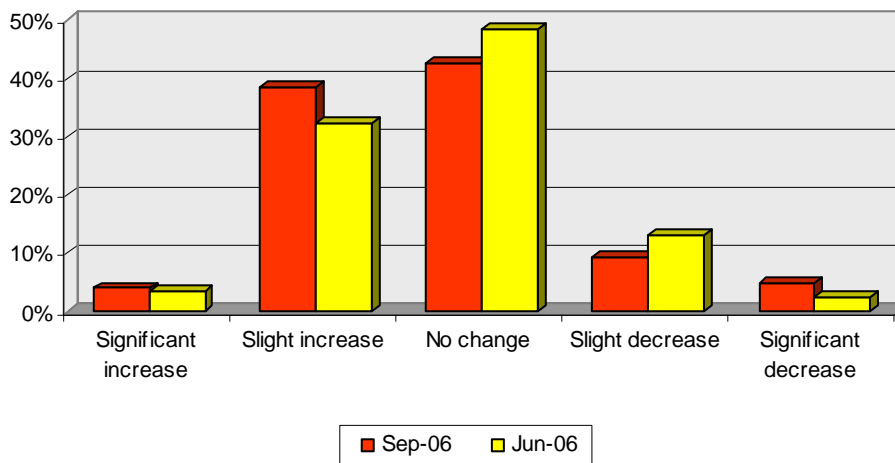


after adjusting for 'don't know' responses: UKBAB 1%

Trends Questions

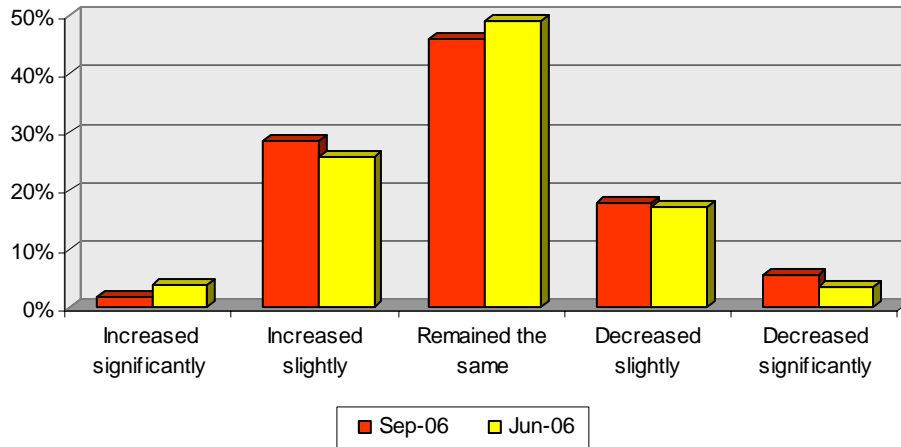
The average number of clients seeking business advice increased in the third quarter. The number of advisers experiencing increases in enquiries continued to outpace the number experiencing decreases in enquiries.

Has the number of clients seeking business advice increased over the past 3 months?



Respondents to the September survey witnessed an overall decrease in the number wanting to start a business in the third quarter of 2006, following a similar pattern to the previous two years.

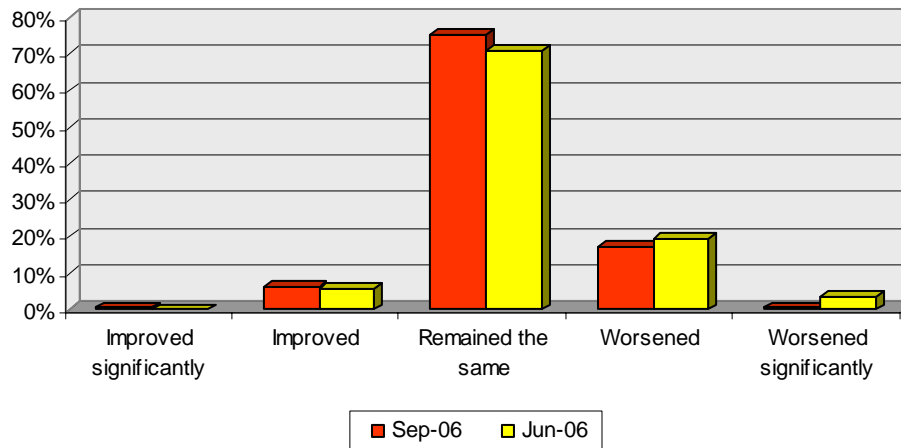
Over the past 3 months, to what extent have you witnessed a change in the number of people wanting to start up a business?



after adjusting for 'not applicable' responses: Sep 2006 13%; Jun 2006 13%

The ability to gain access to finance increased by 4% compared to the June quarter, bouncing back from a dip compared to the March results. These last two quarters have shown larger variations quarter on quarter for this indicator than seen over the previous three years.

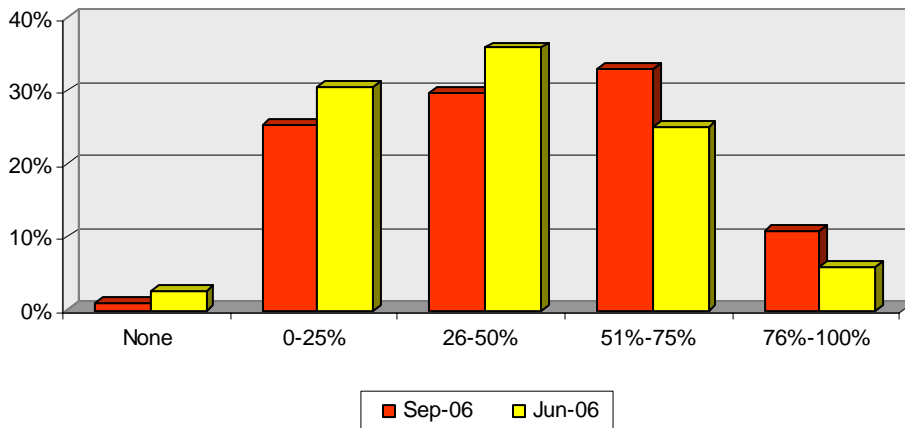
Has your clients ability to gain access to finance changed in the past 3 months:



after adjusting for 'not applicable' responses: Sep 2006 7%; Jun 2006 4%

The index of the number of Advisers' clients finding that there is a shortage of skilled labour increased by 16% on average during the September quarter, following increases in both the first two quarters this year. There have been similar increases in the September quarters of 2004 and 2005..

Approximately what percentage of your client businesses find that there is a shortage of appropriately skilled labour?

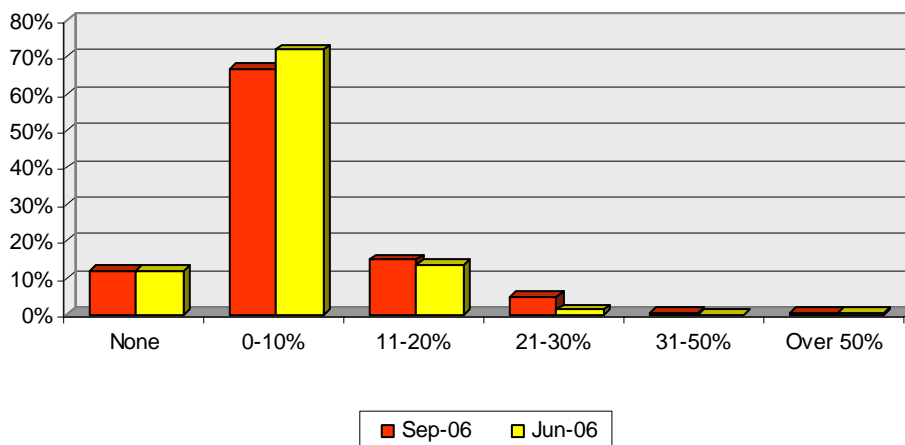


after adjusting for 'don't know' responses: Sep 2006 7%; Jun 2006 7%

In the third quarter, Advisers were again on average more pessimistic about the continuance of their clients trading over the next year.

Although 12% of Advisers still consider that none of their clients will close over the next year, 67% thought that up to 10% of their clients might cease trading compared with 72% in the second quarter and there was an increase in expectations of higher numbers of business cessations: 21% in September, compared with 16% in June.

In your estimation, what proportion of your clients' businesses will have ceased trading in the next 12 months as a result of the problems that they confront?



Listed below are some of the personal views supplied in feedback received from respondents to Survey BAB49 September 2006

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

There is no such thing as a shortage of skilled labour if you are prepared to pay for it

It is my experience that many trade bodies and government bodies which are supposed to exist to help members/business are more concerned with survival themselves than giving the assistance (which comes a poor second).

Forced to answer 'other' to question 1 as I have a very balanced approach to CPD and use virtually all the methods. CPD is very dear to my heart and it is the subject of the BA Hons dissertation on which I am currently working.

Questions 1 & 2 should have allowed multiple answers as there are many ways of doing CPD and many reasons for belonging to a professional body.

I found a couple of questions hard:

Ways to increase innovation invariably start with leadership, but take in all the other items also listed - link this to the question regarding institutional change as you will see that unless a company is prepared to regularly review their working methods and learn from other organisations (networking and possibly online sharing), there is less chance for innovation.

As to the benefit of being a member of a representative body - I would love to contribute more, but my organisation is simply not set up for women with children. Evening meetings, in distant places, with no crèche are simply not conducive to a working Mum - hence the only real benefit I derive is that of the online newsletter and reduced price insurance. I sincerely wish I could have contributed more, but there was no mechanism for me to do so