

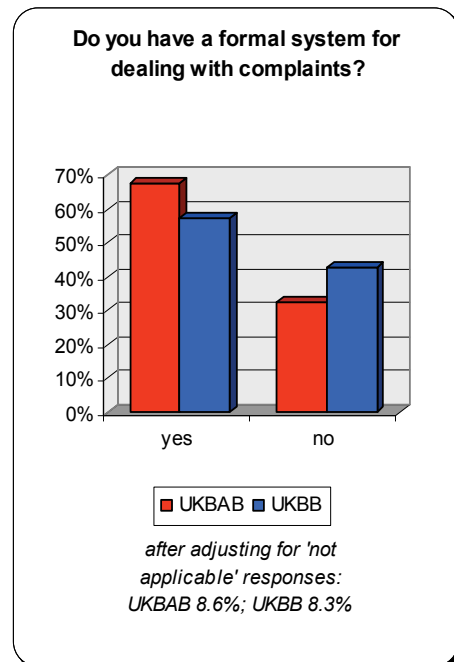
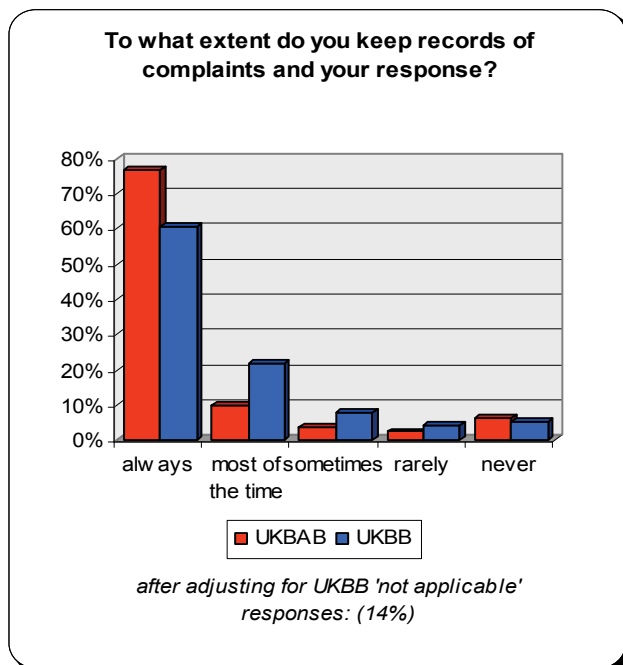
> KEYNOTES FOR JUNE 2006

**Topics for June:**

In the June 2006 survey, we invited panellists to give their views on dealing with complaints, truthfulness, trust, language skills of exporters plus the quarterly trends questions. In total , 198 Business Advisers responded to the survey.

**How do you deal with complaints?**

It is said that people who have a bad customer service experience will tell up to 25 others about it, but if a company gets it right, it can result in greater customer loyalty. 62% of UKBAB respondents have a formal system for dealing with complaints but 30% admit that they don't. 8% say it is not applicable. The parallel survey of smaller businesses, the UKBB, put the identical question and found that 53% of respondents have a formal system in place.



**Doing the paperwork**

When asked to what extent records of complaints and responses were kept, 77% of UKBAB respondents said always, while 10% said most of the time. Amongst UKBB respondents, 61% said always, and 22% said most of the time, after adjusting for the 14% responding 'not applicable'.

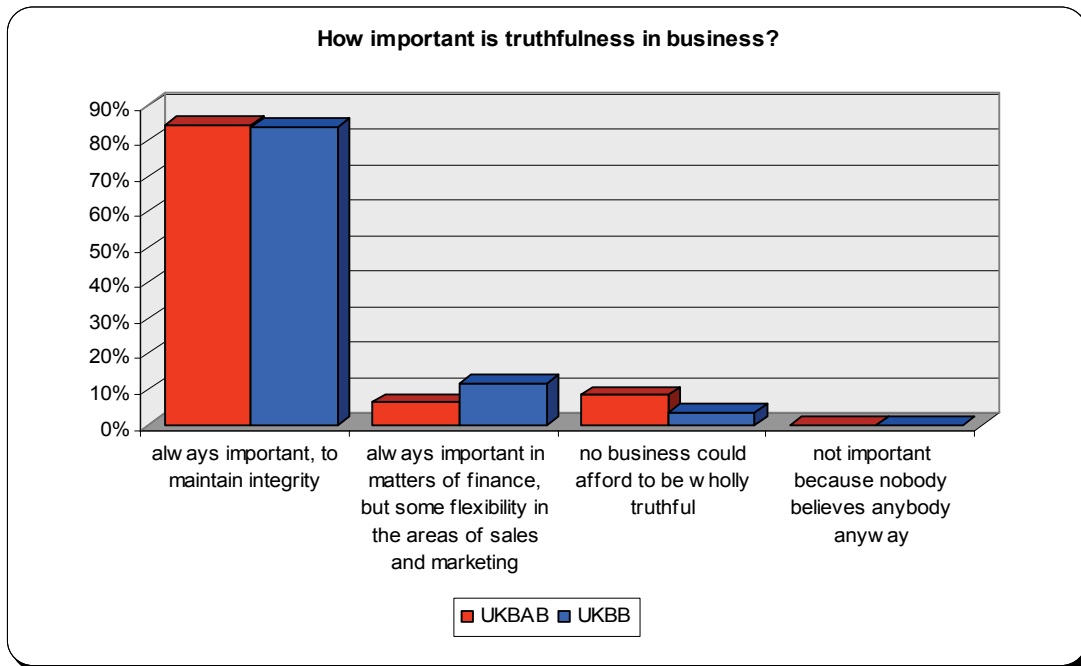
**What the experts say:**

Advice from management gurus is to deal with complaints quickly and ensure that the customer is satisfied, and to have a procedure in place so that any/all employees understand how to react.

> KEYNOTES FOR JUNE 2006

**Is truthfulness important in business?**

85% of UKBAB respondents agree that truthfulness is always important in business. The parallel survey of smaller businesses, the UKBB, asked about the importance of truthfulness in their own business, and 84% thought that it is always important.



**Panellist’s comment:**

“A Bank manager once said people are as honest as they can afford to be. We feel this still pervades.”

**Can businesses afford to be wholly truthful?**

However, some respondents in both surveys recognized that there is some flexibility in sales and marketing (7% of BAB respondents, 12% of BB respondents). 9% of UKBAB respondents believe that no business could afford to be wholly truthful, and 4% of UKBB respondents agreed with them.

**Greater focus on CSR**

Business ethics and corporate social responsibility have come more and more into focus as issues such as fair trade and sustainability rise up the national and international agendas. Underlying such concepts are values such as truthfulness and trust.

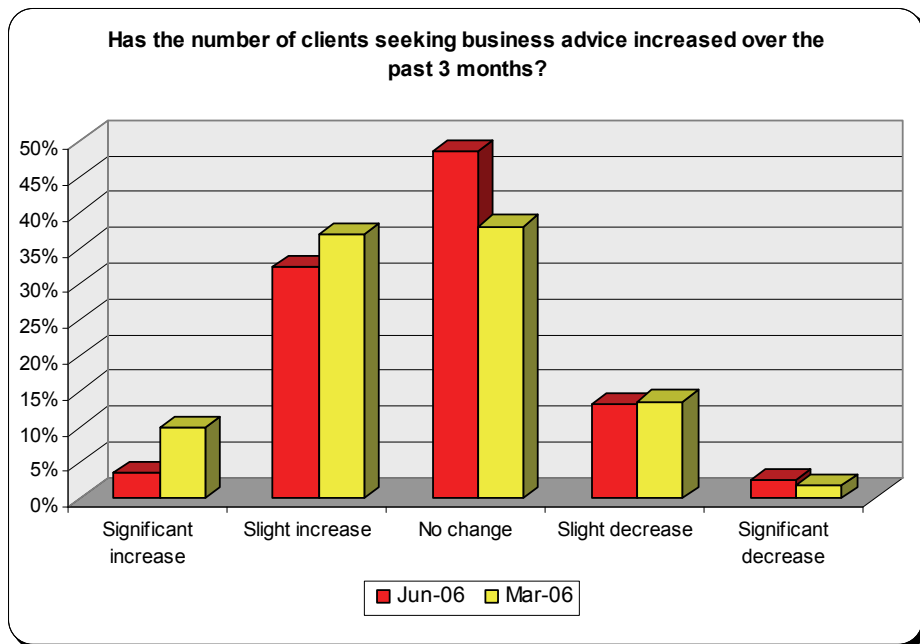


> KEYNOTES FOR JUNE 2006

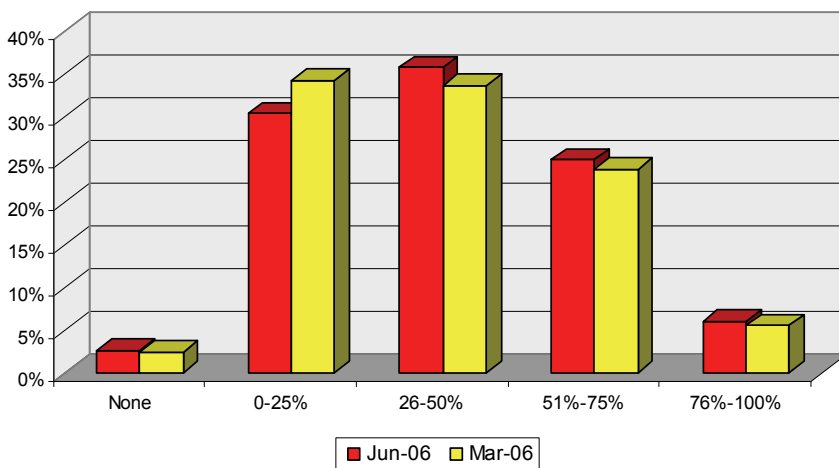
SECOND QUARTER TRENDS 2006

Fewer seeking advice

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



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



Shortage of Skilled Labour

The index of the number of Advisers' clients finding that there is a shortage of skilled labour increased by nearly 4% on average during the second quarter, following an increase in the first quarter.

Access to Finance

The ability to gain access to finance was lower by 4% compared to the March quarter. This is a larger variation quarter on quarter for this indicator than seen over the previous three years.

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**> QUESTIONS FOR JUNE 2006**

- Q1.** Do you have a formal system for dealing with complaints?
- Q2.** To what extent do you keep records of complaints and your response?
- Q3.** To what extent do clients request advice on how best to deal with complaints?
- Q4.** How important is truthfulness in business?
- Q5.** How important do you think trust is in creating successful business to business relationships?
- Q6.** Out of those of your clients involved in exporting, approximately what percentage, would you say, are disadvantaged by a lack of language skills?
- Q7.** In your experience, is there an adequate supply of language support services to business?

**Quarterly Trends Questions**

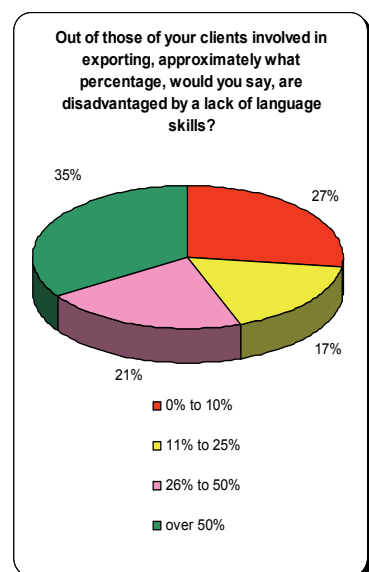
**The following set of questions has been asked of the panel each quarter since September 2003:**

- Q8.** Has the number of clients seeking business advice increased over the past 3 months?
- Q9.** Over the past 3 months, to what extent have you witnessed a change in the number of people wanting to start up a business?
- Q10.** Has your clients ability to gain access to finance changed in the past 3 months?
- Q11.** Approximately what percentage of your client businesses find that there is a shortage of appropriately skilled labour?
- Q12.** 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?

**Mind your language**

Although English and Chinese are thought to be the languages of globalisation, research has found that in mainland Europe many companies will not employ a UK firm for a pan-European account because of a perceived lack of European language skills.

34% of UKBAB respondents think that more than half of their clients involved in exporting are disadvantaged by their lack of language skills, while only 27% would put the proportion of similarly disadvantaged clients at 10% or less. 47% of responding advisers do not think there is sufficient language support available for businesses, although 30% think that support is adequate for French, German, Spanish and Italian.



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**Greater transparency of business needs as observed by the adviser community**

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