

UK

BUSINESS
ADVISER BAROMETER

monthly brochure

> KEYNOTES FOR MAY 2006

Topics for May:

The May survey invited views on stimulating business, online purchases, flexible working hours, the government target for women in business, economic crime, finance and the smaller business, trade shows and marketing or finance - which one would you prioritise?

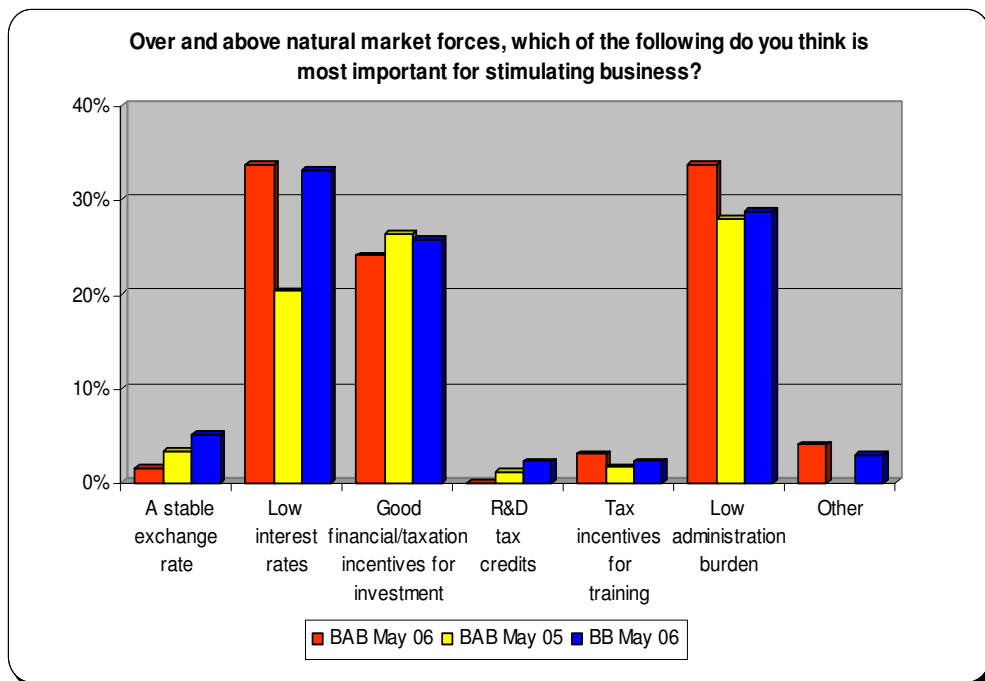
Your recipe for stimulating business:—

Low Interest Rates

A low administration burden

and

Tax incentives



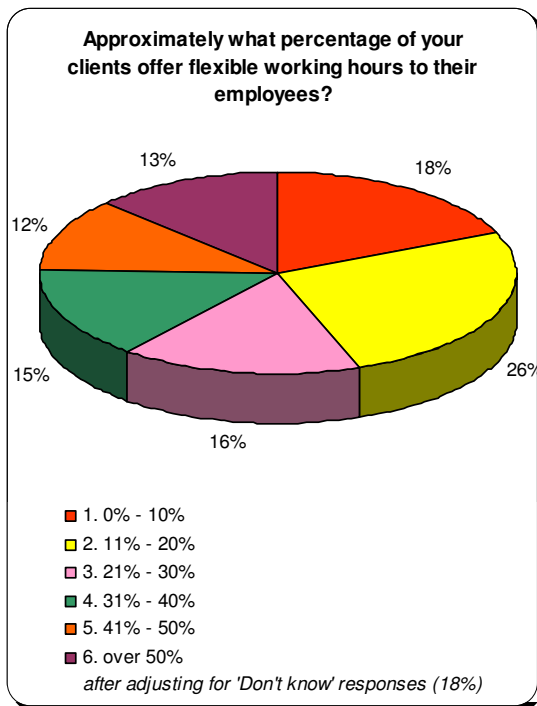
Low interest rates and a low burden of administration were considered to be the most important factors for stimulating business by 34% of the respondents to the May UKBAB survey. The third most popular choice was good financial/taxation incentives for investment (24%).

In May last year the UKBAB survey found that low administration burden came out top with 28% of respondents with good financial/taxation incentives second (26%) in 2005.

The parallel survey of businesses, the UKBB, put the same question, and responses broadly reinforced the BAB opinions since low interest rates (33%) and low administration burden (29%) emerged in the top two places and good financial/taxation incentives also came in third (26%).

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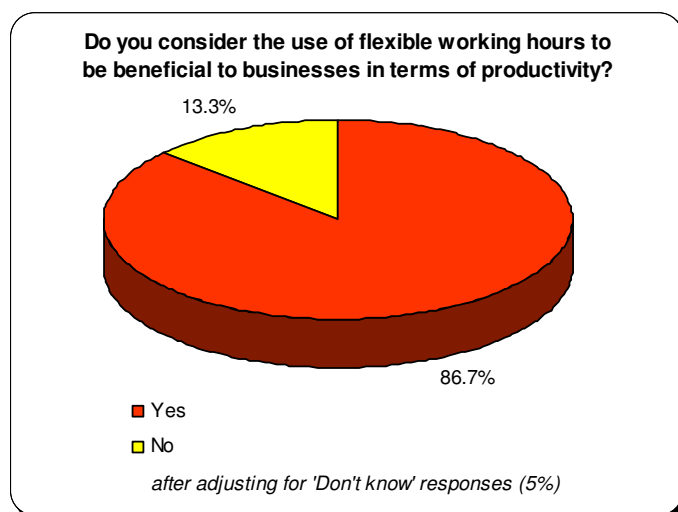
Productivity benefits

The survey, found that 87% of respondents expressing an opinion consider that flexible working hours are good for business productivity. The parallel UKBB survey asked businesses if they find the use of flexible working hours beneficial to their business in terms of productivity. 77% of businesses where this was an applicable question confirmed that it is beneficial.

Flexitime is good for you and Britain leads the way

Britain is among Europe's leaders in terms of how it treats its labour force. New research from the EU shows UK employers come first in offering part-time working options and near the top in flexible working arrangements. This new study has revealed that on average flexible working time arrangements exist in 48% of establishments with 10 or more employees in Europe. 61% of managers surveyed for that report said that higher job satisfaction was one of the outcomes of flexible working.

Panellists of the UKBAB were asked what percentage of their clients offer flexible working to their employees. After adjusting for 'don't knows', results showed that for 44% of respondents less than 20% of clients offer flexible working, while only 13% of respondents have more than 50% of clients offering flexibility.





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This time last year, we asked for the panel's views on the government target that 20% of businesses, in 2006 should be run by women. Five months into 2006, we asked how realistic this target seems to our business adviser panel. The results were somewhat negative: 61% said 'not at all' or just above, while only 11% chose highly or relatively highly, all after adjusting for 'don't know' responses.

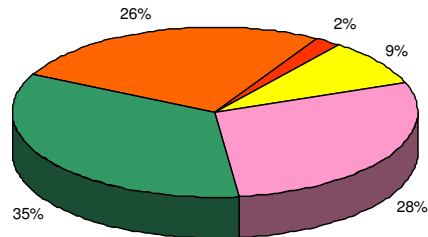
The Panellists' view:

My client base of female business owners has not increased significantly, as a target in its own right I can see no point in it.

Trade shows — what are they good for?

For UKBAB respondents, making good business contacts was the most frequently chosen objective and gaining new ideas was a close second. Gaining new business for the medium – long term came third. However, not all respondents are positive about potential outcomes and 15% said they had nothing to gain from trade shows or exhibitions.

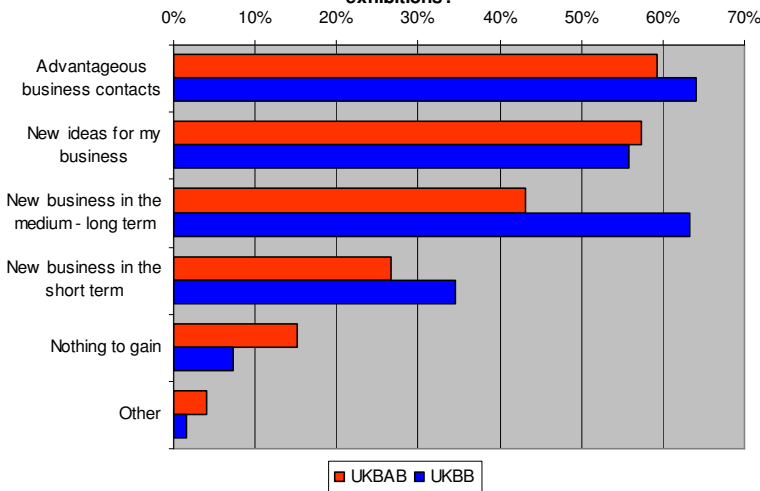
How realistic is the Government target of 20% businesses to be run by women by 2006?



- 1. Highly
2
3
4
5. Not at all

after adjusting for 'Don't know' responses (15%)

What do you think your business might be able to gain from trade shows or exhibitions?



Great minds think alike

The businesses were in broad agreement with the advisers. Respondents to the UKBB chose the same objectives as their top three, although not in the same order. 7% said they had nothing to gain.

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> QUESTIONS FOR MAY 2006

Q1. Over and above natural market forces, which of the following do you think is most important for stimulating business?

To what extent do you make purchases online for your business?

Q2. To what extent do you make personal purchases online?

Q3. Approximately what percentage of your clients offer flexible working hours to their employees?

Q4. Do you find the use of flexible working hours beneficial to business in terms of productivity?

Q5. This time last year, we asked for your views on the government target that 20% of businesses, in 2006 should be run by women. Five months into 2006, how realistic does this target seem to you?

Q7. It has been said that there is a significant need to train entrepreneurs/small business owners in the basics of marketing and finance. Notwithstanding the value of each, which of the two would you prioritise?

Q8. Has your business ever been the victim of economic crime (eg. Fraud)?

Q9. Have you ever exhibited or attended trade shows or exhibitions?

Q10. What do you think your business might be able to gain from trade shows or exhibitions?

Q11. Do you find that clients with larger businesses are more methodical in their approach to their finances than smaller businesses.

The final thoughts this month go to two panellists responding to the question on whether to prioritise finance or marketing.

'...most businesses need strong guidance on marketing and sales. The latter is a much neglected issue in the array of skills needed for business success..'

'I have prioritised finance over marketing because generally people are better at selling than getting paid. Whilst people understand the need to find customers it is frightening how many people don't understand the basics of finance - the importance of cash flow, the burden of working capital and offering extended credit and the financial impact on bottom line of discounting.'



Greater transparency of business needs as observed by the adviser community

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