



BUSINESS
ADVISER BAROMETER

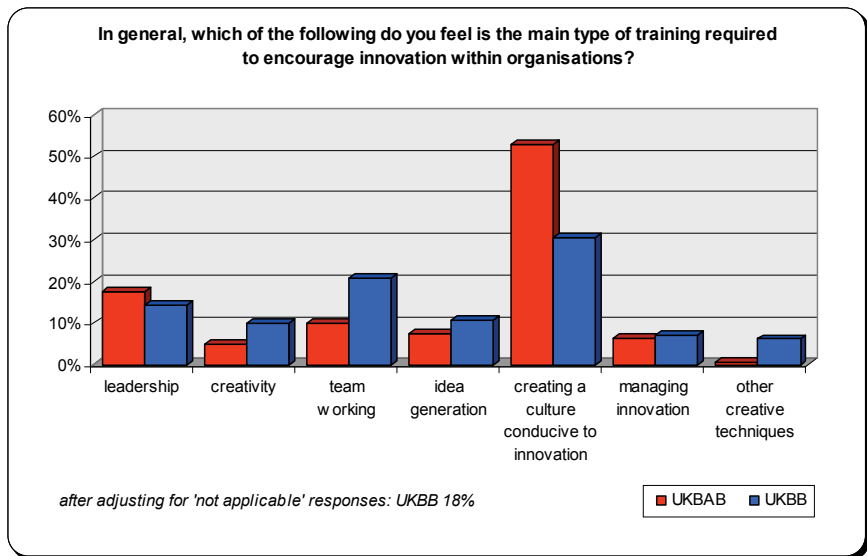
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> KEYNOTES FOR SEPTEMBER 2006 BAB49

Encouraging Innovation — preferred training methods

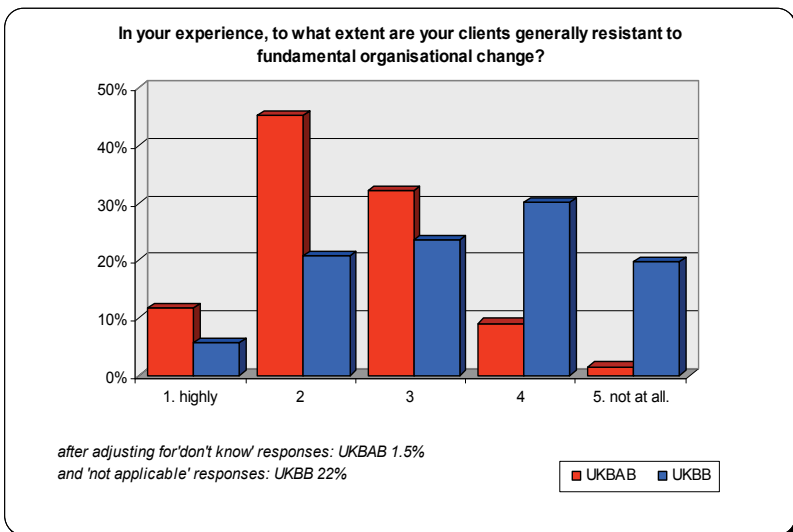
If innovation makes a significant contribution to economic growth then encouragement of innovation within firms is likely to be desirable no matter how small the company.

This month, panellists were asked which type of training generally is best to encourage innovation within organisations. 53% thought that training towards creating a culture conducive to innovation is the most important.



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 survey of smaller businesses, respondents were divided on whether they thought training was required in their organisation or not. 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%.



Clients' resistance to organisational change.

57% of respondents have found that their clients tend to resist fundamental organisational change to a high or relatively high extent.

The panellists' view:

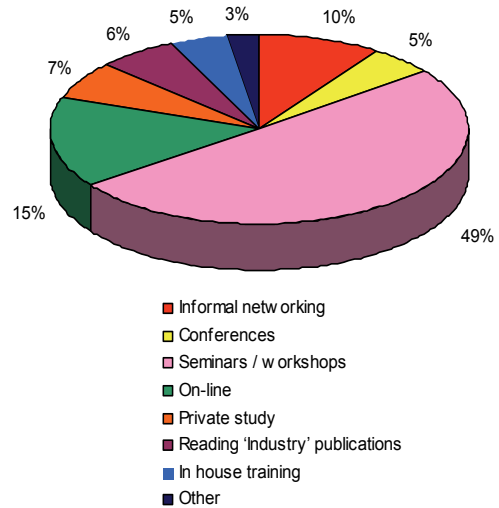
‘...unless a company is prepared to regularly review their working methods and learn from other organisations, there is less chance for innovation.’

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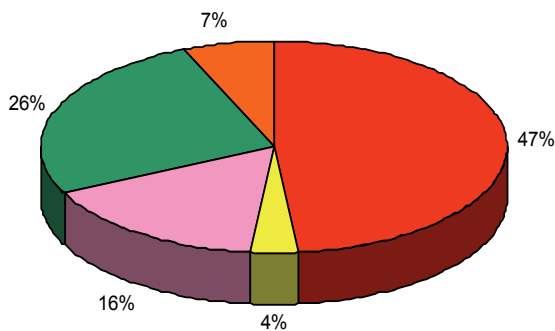
Which way is best for CPD?

In the September 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. One respondents added that he wanted to choose more than one of the available options as ..”” ‘there are many ways of doing CPD.. A second agreed saying that they had a balanced approach to CPD and use virtually all the methods.

In terms of your personal Continuing Professional Development as a business adviser, which of the following methods of ‘learning’ do you mostly employ.



Which of the following characteristics is most valuable as a consequence of membership of a professional body?



- credibility with clients
- a significant competitive advantage in finding work
- discounted professional indemnity and other direct benefits
- opportunities to maintain professional knowledge.
- networking to keep abreast of 'politics' and other soft issues in the sector.

What does membership of a professional body bring to you?

This month panellists were asked what they most value about membership of a professional body. 42% of respondents 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.



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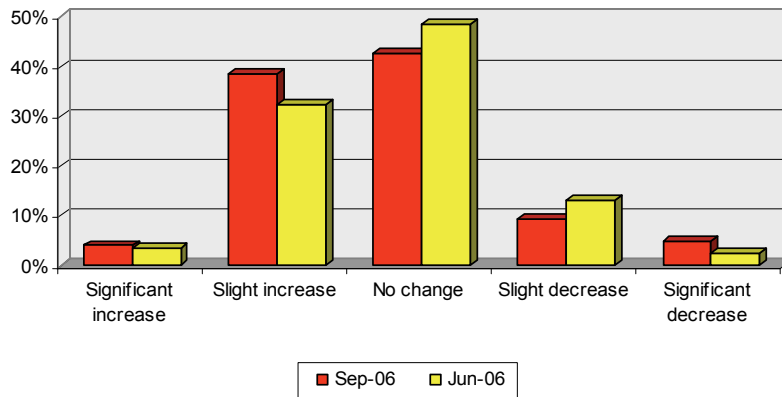
> KEYNOTES FOR SEPTEMBER 2006 BAB49

THIRD QUARTER TRENDS 2006

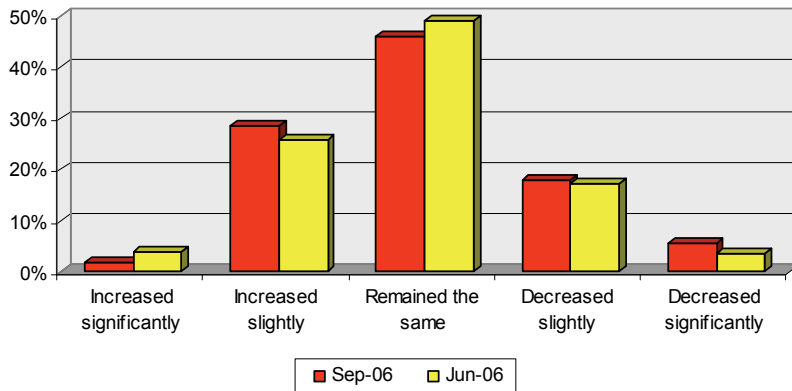
Third quarter sees increase in those seeking advice.

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?



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%

Seasonal decrease in Start Ups?

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.

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> QUESTIONS FOR SEPTEMBER 2006 BAB49

- Q1.** In terms of your personal Continuing Professional Development, which of the following methods of 'learning' do you mostly employ.
- Q2.** Which of the following characteristics is most valuable as a consequence of membership of a professional body?
- Q3.** What proportion of start up businesses are, in your opinion, undercapitalised
- Q4.** What proportion of start up business failures can be attributed to undercapitalisation?
- Q5.** In your experience, to what extent are your clients generally resistant to fundamental organisational change?
- Q6.** In general, which of the following do you feel is the main type of training required to encourage innovation within organisations?
- Q7.** "The customer is always right." To what extent do you feel your clients actually believe this in practice?

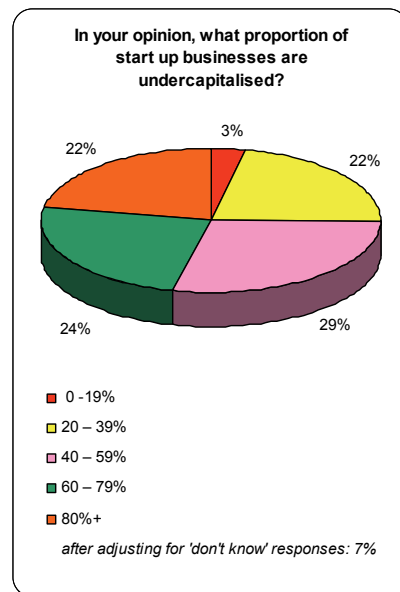
Quarterly Trends Questions

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?

Are too many Start Ups undercapitalised?

Asked what proportion of start-up businesses are undercapitalised, respondents to September's BAB were spread across the range of options presented to them. But, 11% of an adjusted response believe that 80% or more of start ups do not have sufficient capital.



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Greater transparency of business needs as observed by the adviser community