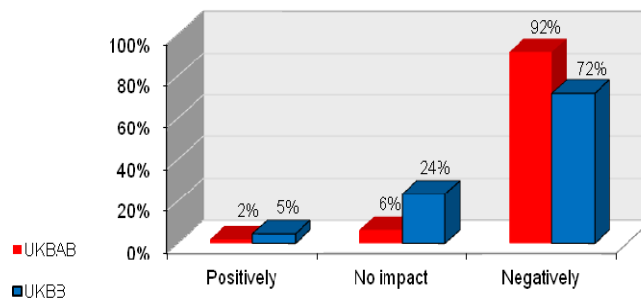


> SEPTEMBER 2008 EDITION — KEYNOTES FROM JULY 2008 - BAB67

**Rising fuel and energy prices take their toll on business — few able to pass them on.**

Almost three-quarters of smaller businesses have been badly hit by spiralling fuel and energy prices, according to UKBAB and UKBB panellists. 72 per cent of respondents to the UKBB said they had experienced a 'negative' or 'strongly negative' impact on their companies in the past year. Findings from the UKBAB were even more stark. When asked the same question, 92 per cent of advisers said their clients had been negatively affected by fuel price rises. The problems caused by rising fuel costs are exacerbated for half the companies who took part in the survey, as they are not able to pass the increases on to their clients.

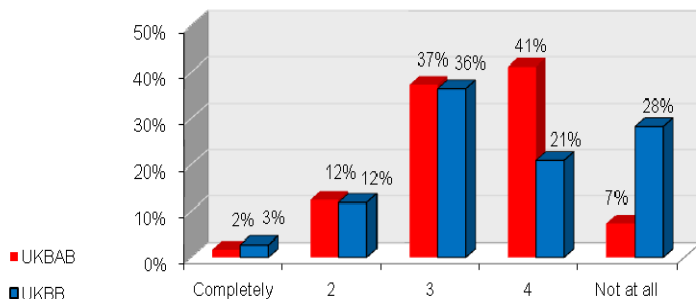
UKBAB: To what extent has the increase in fuel prices impacted upon your clients' businesses?  
UKBB: To what extent has the increase in fuel prices impacted upon your business?



after adjusting for 'don't know' responses: UKDAD 3.5%

**Respondents to the UKBAB survey generally thought that some of the price increases could be passed through to customers by their clients, although only 2% thought that price increases could be passed through completely.**

UKBAB: To what extent are clients able to pass on increases in fuel and energy costs to their customers?  
UKBB: To what extent are you able to pass on increases in fuel and energy costs to your customers?



**Panellist's view**

Individual comments made by respondents reflected the different experiences businesses are going through at the present time: one commented that "Over the last three months, a significant number of my clients are deferring spend on consultancy, training, and marketing as a result of the increases in fuel and energy costs"

**Panellist's' view**

Another respondent said "Although my clients face an uphill struggle against increasing costs with little opportunity to pass these on, they maintain a high degree of optimism for the future"

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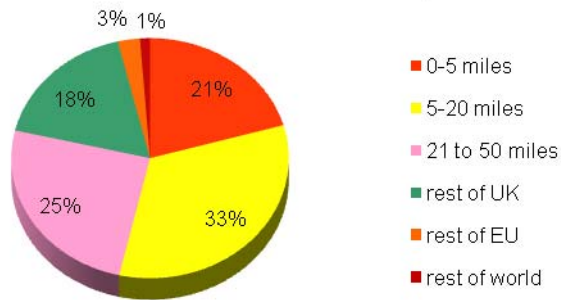
> SEPTEMBER 2008 EDITION — KEYNOTES FROM JULY 2008 - BAB67

**How near and far? — BAB panellists report on the geographical spread of clientele.**

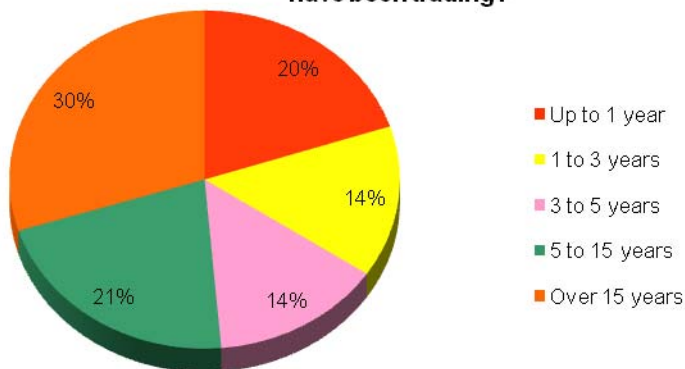
Panellists were asked to provide a percentage split of client numbers across ranges of distances from their workplace.

Averages of the results are shown in the chart on the right, revealing that, inter alia, an average 22% of clients are based more than 50 miles from their business advisers, but over half are within 20 miles of their advisers.

**Over the last 12 months, what has been the approximate geographical spread of your clientele in terms of distance from your office?**



**Over the last 12 months, what has the spread of your clientele been in terms of the number of years they have been trading?**



When asked about the spread of clientele in terms of number of years trading, responses showed that panellists' clients are not predominantly start-ups or mature businesses, but encompass both of these and all durations in-between.

**UKBAB panellists include advisers with skills and professions ranging from Accountants to Management Consultants as well as those who became advisers after experience at senior level in successful companies. Many work in conjunction with Business Links.**

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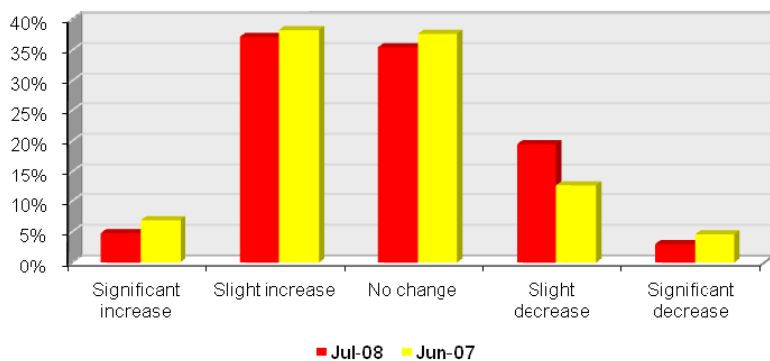
> SEPTEMBER 2008 EDITION — KEYNOTES FROM JULY 2008 - BAB67

TRENDS UPDATE - July 2008

The 'trends' questions investigate the major influences on progress of UKBAB clients. Reported here are those relating to numbers seeking business advice and those wanting to start a business.

The average number of **clients seeking business advice** decreased in the three months to July 2008 compared with the three months to June 2007, by almost 3% although 36% reported no change. The number of advisers experiencing increases in enquiries continued to outpace the number experiencing decreases in enquiries.

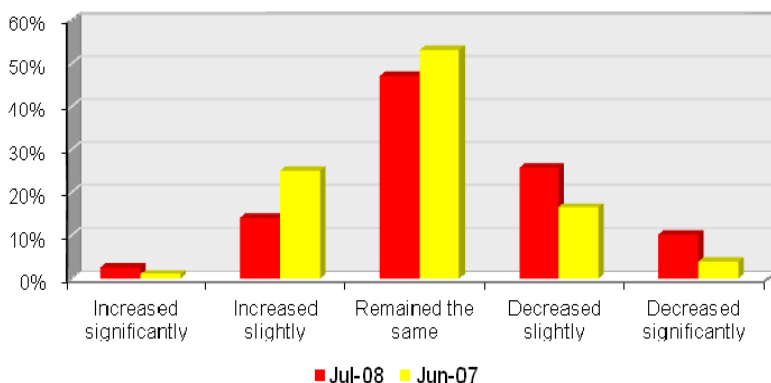
Has the number of clients seeking business advice increased over the past 3 months?



Panellists' views

One contributor observed that in relation to both this and the preceding question, he and his colleagues always observe a down-turn in start-up activity in the run-in to the summer holidays.

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



Another reported that "there is a total lack of confidence. I have been used to receiving 5/6 business plans per week for start-ups and expansion. I went 8 weeks in May/June without one single business plan". He goes on to say that a number of advisers and intermediaries have just given up work as the work is no longer there.

This view contrasts with another comment viz: "I have seen a lot of estate agents wanting to start new businesses recently."

The average of the July 2008 three month period results for the number of **people wanting to start a business** decreased from the June 2007 position by nearly 10%. The balance between the percentage witnessing significant or slight increases and those witnessing significant or slight decreases in the number of people wanting to start a business has moved from +5.6% in June 2007 to -19.1% in July 2008.

# UK BUSINESS ADVISER BAROMETER

## survey report

> SEPTEMBER 2008 EDITION — JULY 2008 - BAB67 — THE QUESTIONS

- Q1.** Over the last 12 months, what has been the approximate geographical spread of your clientele in terms of distance from your office?
- Q2.** Over the last 12 months, what has the spread of your clientele been in terms of the number of years they have been trading?
- Q3.** From your experience, to what extent has the increase in fuel prices impacted upon your clients' businesses?
- Q4.** From your experience, to what extent will the expected increase in energy prices impact upon your clients' businesses?
- Q5.** As far as you are able to tell, to what extent are clients able to pass increases in fuel and energy costs on to their customers?
- Q6.** As a consequence of the recent financial crisis, to what extent have stock levels become more of an issue in discussions with your clients?
- Q7.** Computer spyware is now reckoned to be more dangerous to businesses than computer viruses how do you protect your IT system?
- Q\*** \* Plus the five 'trends' questions reporting numbers seeking business advice, starting a business, access to finance, skills shortages amongst clients', recruits and estimated likelihood of ceasing trading.

### Totals by Region

East of England	24	10.2%
East Midlands	25	10.6%
London	30	12.8%
North East	10	4.3%
Northern Ireland	8	3.4%
North West	25	10.6%
Scotland	12	5.1%
South East	32	13.6%
South West	23	9.8%
Wales	9	3.8%
West Midlands	16	6.8%
Yorkshire & Humberside	20	8.5%
Channel Islands	1	0.4%
<b>Total</b>	<b>235</b>	<b>100.0%</b>

The total number of respondents taking part in the July survey was 235 and as usual real-time results were published to the website. This analysis is the outcome of further more detailed examination of those results.

Participation in the survey came from all regions of the UK.

To view the complete set of results for this and for previous surveys, follow this link: [www.ukbab.ac/UI/surveys.aspx](http://www.ukbab.ac/UI/surveys.aspx)

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