



BUSINESS ADVISER BAROMETER

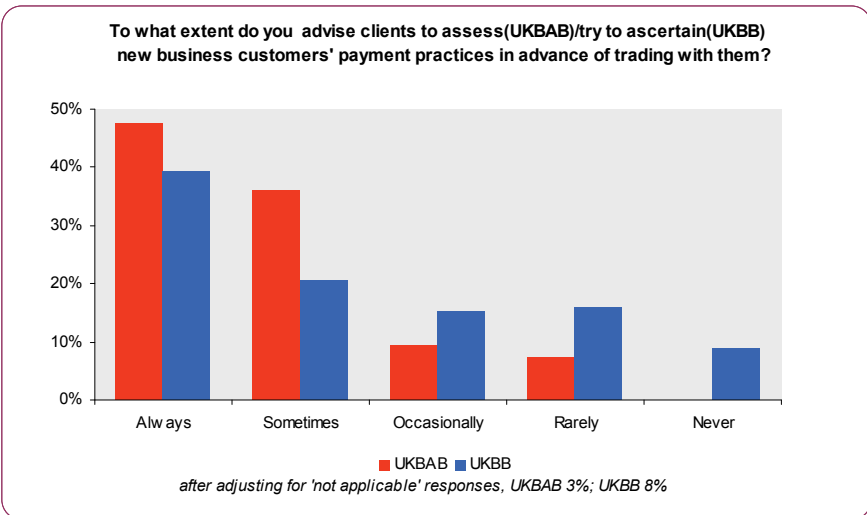
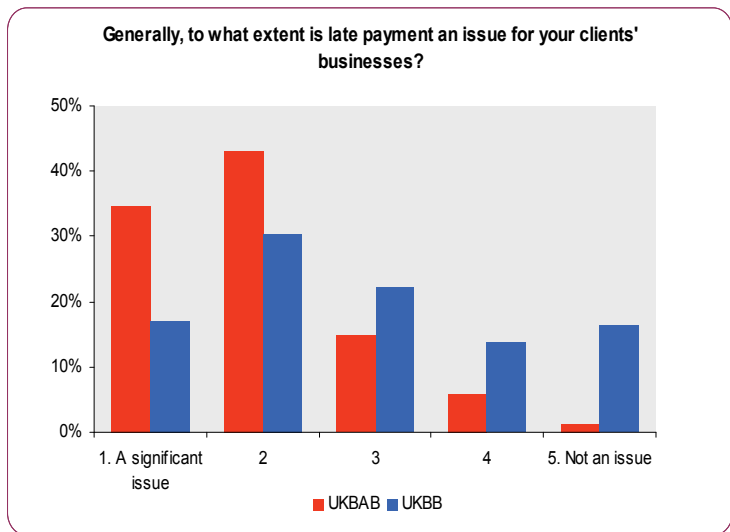
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>SEPTEMBER EDITION — KEYNOTES FROM AUGUST 2007 - BAB60

Late payment — better or worse? Differing views are offered by the two Barometer panels.

In spite of legislation allowing businesses to charge both interest and compensation for overdue payments, late payment continues to be a significant or considerable issue for the clients' businesses of 78% of respondents to the UKBAB. On the parallel survey of smaller businesses, the UKBB panel returned a 48% response, own significantly from the 60% figure returned in February 2006.

When this question was last asked, in February 2006, 65% of UKBAB respondents said it was a significant or considerable issue for their businesses, so this months UKBAB finding shows a worsening situation since then.



There is evidence to suggest that on average businesses are increasing the length of time they take to settle bills.

To avoid clients becoming victims of this, the UKBAB, panellists were asked to what extent they advise clients to assess potential new customers' payment practices before starting to trade with them. 47% do so always and 36% sometimes.

In the parallel survey of smaller businesses 39% of respondents to the UKBB always check on the payment habits of new customers before they agree to trade with them. 21% sometimes make the check and 15% occasionally do, but 25% rarely or never do.

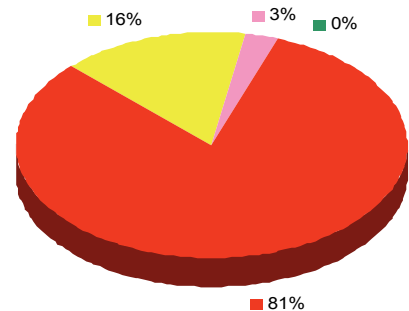
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Business failures - are they likely to try again?

August's survey included three questions on business failures and new ventures. While 81% of respondents think that less than 10% of their clients have a previous business that failed, 93% believe that it is likely or very likely that an entrepreneur who has had a business failure will try again in a new venture.

The questions gave rise to some interesting comments. One respondents picked out the term 'entrepreneur' and made the point that there is a difference between an entrepreneur and someone with a business idea. The former is more likely to go from project to project, failure or not, while the latter would be unlikely to go for a new venture if their business idea failed.

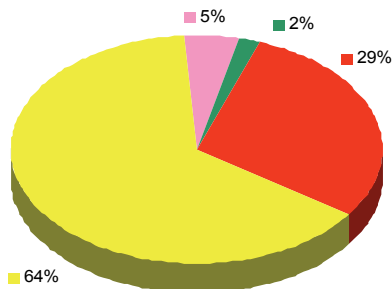
To your knowledge, what proportion of your client base has had a previous business that has failed?



0% - 10%
11% - 25%
26% - 50%
Over 50%

after adjusting for 'don't know' responses: 9%

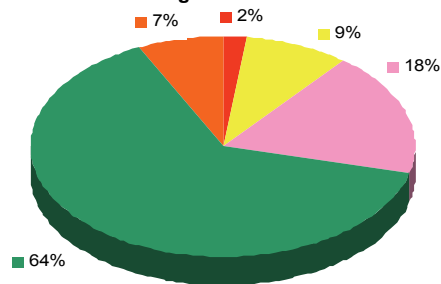
In your experience, how likely is an entrepreneur who has had a business failure to try again in a new venture?



Very likely
Likely
Not likely
Very unlikely

after adjusting for 'don't know' responses: 3%

In your opinion, to what extent is the experience of a previous business failure regarded as a positive or negative factor by funding organisations?



Highly positive
Positive
Neutral
Highly negative
Negative

How do funding organisations feel about business failure? — Your view

Although 11% of respondents thought that previous business failure was regarded as a positive experience to some extent by funding organisations, 71% thought the opposite.

Panellist's view

One respondent put it neatly, that "the true entrepreneur would've regarded it (failure) as positive, which conveys the eternal issue: businesspeople and lenders speak different languages either side of the risk equation".

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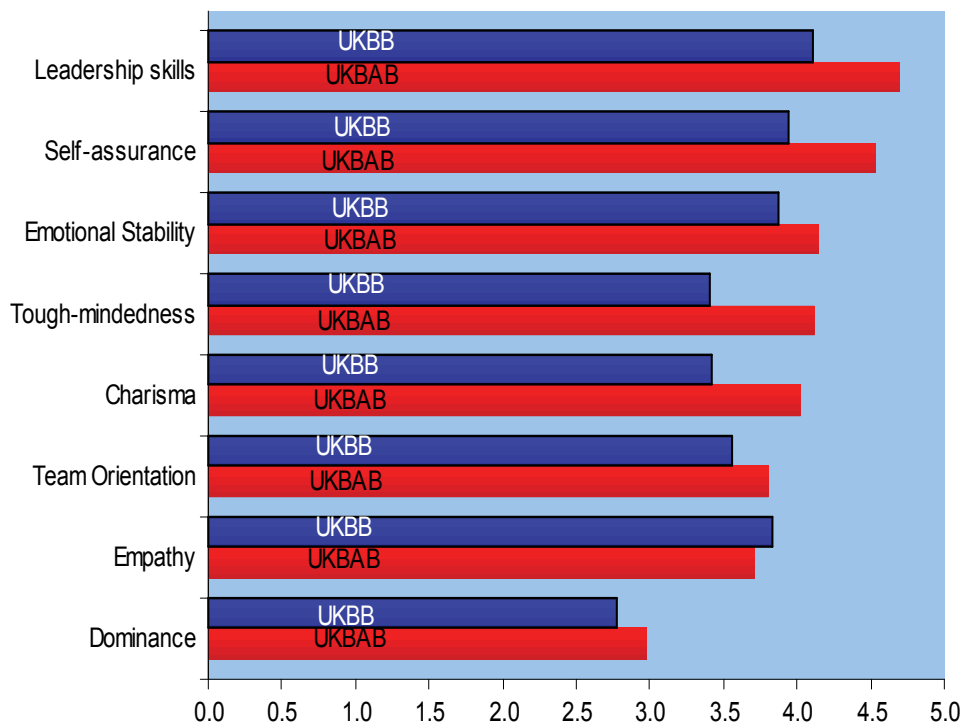
Personality traits and business success.

Business success is very dependent not just on the marketplace but also on the quality of those running businesses. Psychologists have long been studying personality traits of successful people, in order to seek out those traits that are most vital in successful leaders. Discerning these traits is thought to be even more important as the rate of change in the business environment accelerates.

In the August survey we asked panellists to say how much certain Personality traits contribute positively to business success. At the same time we asked panellists of the parallel survey of smaller businesses, the UKBB, to assess how much their own personality traits have contributed to their success in business.

The results of the two surveys - the UKBAB 'objective' assessment and the UKBB 'subjective' assessment – are shown together for comparison.

Weighted average scoring for personality traits



Panellist's view

One UKBAB respondent sent a comment saying he found this difficult to answer as there are so many different ways in which you can have success in business, according to the type of business it is, varying from life-style business, high-risk growth business, established mature business etc.

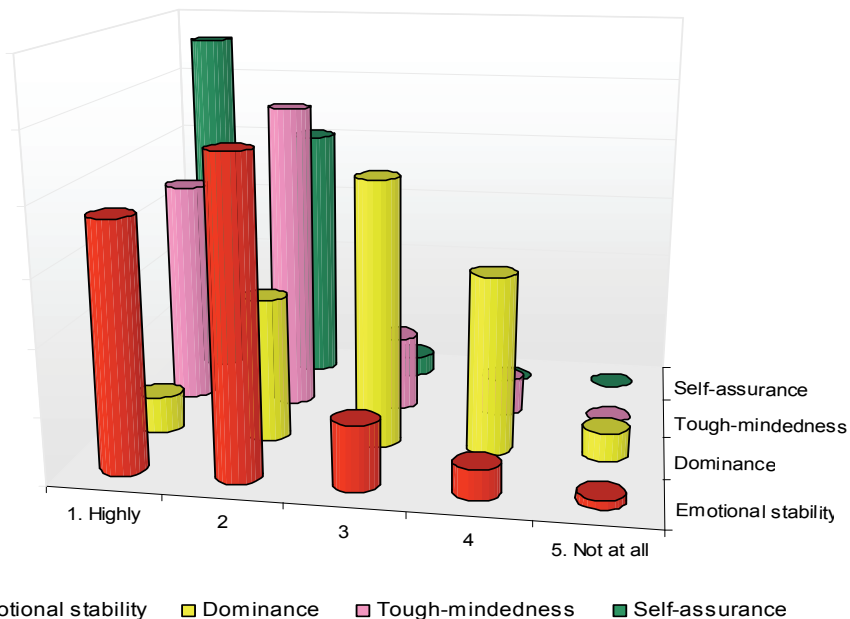
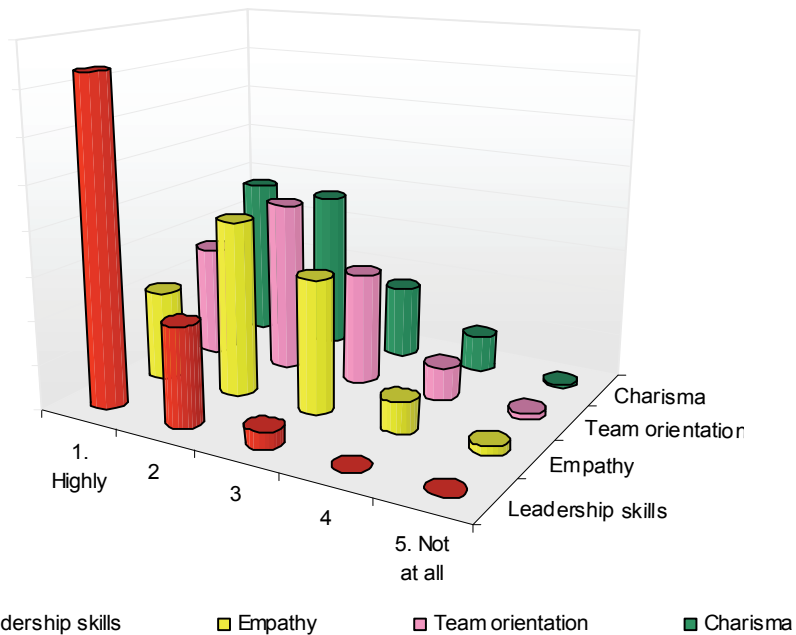
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To what extent have the following personality traits contributed positively to your success in business?

Results from the UKBAB Survey

The two sets of results had much in common. The three personality traits that were rated most highly by both the UKBAB and the UKBB respondents were leadership skills, self-assurance and emotional stability.

While UKBAB respondents' 4th-rated trait was tough-mindedness, UKBB respondents placed empathy 4th. Dominance was the lowest rated trait by both sets of respondents.





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>SEPTEMBER EDITION — AUGUST 2007 - BAB60—THE QUESTIONS

- Q1.** Are you aware of whether the recent bad weather has generally had an impact either directly or indirectly on your clients' businesses?
- Q2.** Across your clientbase, by how much do you expect wages to rise over the next 12 months?
- Q3.** Attempts have been made to make public procurement more open. Compared to conditions five years ago, to what extent do you think that the attempts have been successful?
- Q4.** The numbers of bank and building society branches has fallen by nearly 11% since 2002. To what extent has this reduction in the number of branches adversely affected your clients' businesses?
- Q5.** Generally, to what extent is late payment an issue for your clients' businesses?
- Q6.** To what extent do you advise clients to assess their new business customers' payment practices in advance of trading with them?
- Q7.** To what extent do you consider that business bank charges are good value for money in practice?
- Q8.** To your knowledge, what proportion of your client base has had a previous business that has failed?
- Q9.** In your experience, how likely is an entrepreneur who has had a business failure to try again in a new venture?
- Q10.** In your opinion, to what extent is the experience of a previous business failure regarded as a positive or negative factor by funding organisations?
- Q11.** To what extent do the following personality traits contribute positively to success in business?
- Q12.** To what extent do the following personality traits contribute positively to success in business?

Click here to view the complete set of results for this and for previous surveys:

www.ukbab.ac/UI/surveys.aspx

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