



IFF Research

SME Business Barometer

November 2011

Report prepared for the Department of Business, Innovation and Skills

January 2012

URN 12/P75A

1 Introduction

Background

- 1.1 The Business Barometer is a series of surveys among small and medium-sized (SME) employer enterprises across the UK. The survey assesses how well or badly small businesses are performing, their needs, concerns and the barriers to growth. Each survey wave of the Business Barometer consists of approximately 500 interviews with owners and managers of these enterprises, all of whom have previously been interviewed as part of a larger BIS survey – the 2006/07 and 2007/08 Annual Surveys of Small Business (ASBS), or the 2010 Small Business Survey (SBS).
- 1.2 The first Business Barometer was undertaken in December 2008, with further waves in February, April, June, September and December 2009, and in February 2010. The series of surveys was interrupted by the larger-scale SBS in the summer of 2010, which had very similar question content to the Barometer, but resumed in December 2010, February, August and November 2011, the latter survey being the focus of this report.

Methodology

- 1.3 500 interviews were conducted among SME employers between 28th November and 20th December 2011. All respondents had previously taken part in the 2010 SBS. Those interviewed were directors, owners and co-owners of the businesses.
- 1.4 One hundred and fifty four interviews (31 per cent) conducted were with SME employers that had sought finance in the year before the SBS took place. This proportion was corrected (to 26 per cent) at the analysis stage through weighting¹.
- 1.5 In interpreting these findings it must be borne in mind that the sample is not fully representative of all SMEs in the UK in that:
 - Businesses with no employees have been excluded from this survey
 - Businesses that started up since the SBS are not interviewed
- 1.6 Nor is the survey exactly representative of SME employers that operated at the time of the SBS survey, as those that have closed since cannot be interviewed.
- 1.7 In this report we will highlight changes in the findings between the waves of the Business Barometer, and the larger SBS and ASBS surveys, that are statistically significant at the 95 per cent confidence level. In general, when considering the overall samples for two waves, a change of 4 to 6 per cent indicates a significant change¹.

¹ More details on the sampling and weighting process are given in the technical appendix to this report

2 Summary

Growth

- 2.1 In November 2011, 32 per cent of SME employers were employing fewer staff than 12 months previously (a significant increase since August 2011 when this figure was 26 per cent). Fifty two per cent of SME employers were employing the same amount of staff (a significant decrease since August 2011 when 60 per cent were employing the same amount of staff) and 16 per cent were employing more staff than 12 months previously.
- 2.2 Expectations of employment levels over the coming 12 months remained consistent with previous Barometers: 24 per cent of SME employers in November 2011 expected to be employing more staff in 12 months' time, 58 per cent expected to be employing the same amount and 18 per cent expected to be employing fewer.
- 2.3 The November 21011 Barometer results for turnover are similar to those for staffing levels in that (in a significant increase since the August 2011 Barometer) 40 per cent of SME employers said their turnover was lower than 12 months previously. Thirty two per cent said it was at around the same level and 28 per cent said their turnover had increased compared to 12 months ago.
- 2.4 As with expectations of future employment levels, expectations of turnover levels over the coming 12 months remain consistent with previous Barometers: 28 per cent of SME employers in November 2011 expected their turnover to increase over the coming 12 months, 42 per cent expected it to remain at around the same level and 24 per cent expected their turnover levels to have decreased in 12 months' time.
- 2.5 In terms of growth ambitions, 64 per cent of SME employers aim to grow their business over the next 2-3 years. Of these SME employers, 67 per cent plan to fund this growth through using internal finance only, 13 per cent through using external finance only and 18 per cent plan to use both.

Business Environment

- 2.6 As with previous recent Barometers, the state of the economy was felt to be the main obstacle to the success of the business, by 36 per cent of SME employers in November 2011 (a significant decrease on the proportion citing this as their main obstacle in the August Barometer, but a figure in line with previous recent Barometers).
- 2.7 The next most frequently mentioned obstacles were taxation related issues and competition from other businesses (both 11 per cent) and then cashflow and obtaining finance (both 10 per cent).
- 2.8 Forty seven per cent of SME employers mentioned cashflow as being an obstacle *per se* to the success of their business. The most commonly mentioned underlying causes of cashflow difficulty were a fluctuating income combined with steady outgoings (75 per cent) followed by late payment from individual customers (66 per cent) or from other businesses (58 per cent).

Access to Finance

- 2.9 Nineteen per cent of SME employers had sought external finance in the 6 months prior to the November 2011 Barometer.
- 2.10 As with previous Barometers, among those who had sought finance, the most frequent type sought was a bank loan (41 per cent) followed by a bank overdraft (22 per cent) and leasing / hire purchase arrangements (17 per cent).
- 2.11 The most frequently mentioned reasons for seeking finance were to gain working capital or cashflow (42 per cent of those seeking finance), acquiring capital equipment or vehicles (20 per cent) or buying land or buildings (10 per cent).
- 2.12 Prior to applying, 28 per cent of those who had sought finance were very confident of their application being successful and 40 per cent were fairly confident.
- 2.13 Seventy five per cent of those who sought finance took some steps to try and ensure their application was successful prior to making it. Sixty one per cent of those who sought finance had updated their business plan, 41 per cent had taken advice from a bank and 34 per cent had their business plan looked over by a professional adviser.
- 2.14 Forty five per cent of those who had sought finance in the 6 months prior to the November business barometer did not obtain any of the finance sought from the first source approached. A further 14 per cent obtained some but not all of the finance applied for and five per cent obtained all the financed they had applied for but with some problems. Overall, 64 per cent of those seeking finance had some problems in obtaining it – a significant increase since August 2011 when 48 per cent reported having any difficulty in obtaining finance.

Business Support

- 2.15 In the November 2011 Barometer, 40 per cent of SME employers reported having sought external advice or information on matters affecting their business. Financial advice was the most common type of external advice sought (by 38 per cent of SME employers seeking advice), followed by advice on business planning / strategy (18 per cent), marketing/advertising (13 per cent) and business growth (11 per cent). Just six per cent of

SME employers felt they had important advice needs for which they had not managed to obtain external advice in the last 12 months.

- 2.16 In November 2011 the content of the businesslink.gov.uk website was substantially updated and a telephone helpline was introduced to help support website users. The November 2011 Barometer contained questions seeking to assess early awareness and usage of the new services available through the updated businesslink.gov.uk website.
- 2.17 Seventy nine per cent of SME employers in the November 2011 Barometer were aware of the businesslink.gov.uk website. Twenty six per cent of SME employers had used the website in the last 12 months and, in total, five per cent of SME employers had used the website since the start of November 2011.
- 2.18 Twenty four per cent of those SME employers who had used the businesslink.gov.uk website since the start of November 2011 had noticed a change in content.
- 2.19 In terms of awareness of different types of government support available for businesses (including types of support recently introduced), the support most SME employers were aware of was government guaranteed loans (28 per cent), followed by information on the businesslink.gov.uk website about finance and options available (23 per cent) and the 'My New Business section' recently added to the Business link website (18 per cent).
- 2.20 The most frequently used types of support were the finance advice on the businesslink.gov.uk website (three per cent) and the UKTI support available for SME exporters (also three per cent).
- 2.21 Twelve per cent of SME employers had used a business mentor in the last 12 months and nine per cent were currently acting as one.
- 2.22 In the November 2011 Barometer, those using a business mentor were asked about areas in which help had been received. The areas most mentor users agreed they had been helped in were developing a business plan / strategy (72 per cent), enhancing leadership and management skills (59 per cent) and increasing sales and profits (52 per cent).
- 2.23 In terms of the benefits of being a business mentor, 59 per cent of those currently acting as mentors agreed that it had enhanced their leadership and management skills and 48 per cent agreed that it had increased their sales or profits by providing them with the chance to reflect on their own business strategy.

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3 Growth

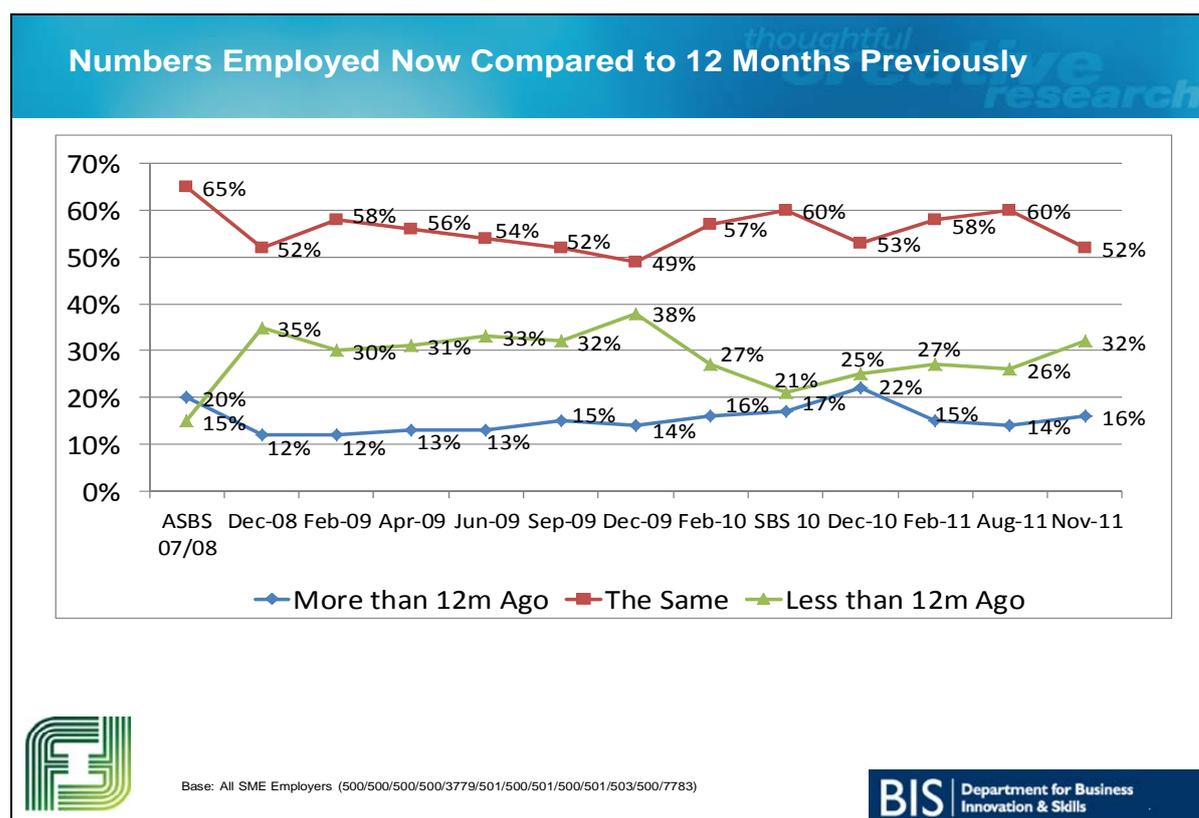
Employment levels over the last 12 months

3.1 As shown in Chart 3a below, 32 per cent of SME employers employed fewer people in November 2011 than was the case a year before. This is a significant increase since August 2011 when this figure was 26 per cent.

3.2 In a significant decrease since the August 2011 Barometer (when this figure was 60 per cent) 52 per cent of SME employers were employing the same amount of people as they were 12 months ago.

In November 2011, 16 per cent of SME employers were employing more people than 12 months ago, which represents a similar proportion to the last two Barometer waves (14 per cent in August 2011 and 15 per cent in February 2011).

Chart 3a: Numbers employed now compared to 12 months ago - trendsⁱⁱ



3.3 The overall trend since the Barometer series began has been for SME employers to be more likely to employ fewer rather than more people compared with 12 months previously. The gap between these two measures closed in 2010, but 2011 has seen the gap widen again. Although it has not widened to the extent observed in some 2009 Barometers (when the difference between these two measures was more than 20 percentage points) the gap

of 16 percentage points in the November 2011 Barometer is similar to the 17 percentage point gap seen in the September 2009 Barometer.

- 3.4 Analysis of the data by sector in November 2011 (see Table 3a) shows that the service sector figure for employing a greater number of staff than 12 months ago has risen from the eight per cent recorded in the August 2011 Barometer to 18 per cent (which is in line with the February 2011 Barometer figure of 19 per cent).
- 3.5 Forty two per cent of SME employers have recruited new employees in the last 12 months (see Table 3b overleaf) – a proportion similar to previous Barometers.

Table 3a: Numbers employed now compared to 12 months ago ⁱⁱⁱ – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
November 2011. n=	500	82	48	139	231
	%	%	%	%	%
Nov 11 – More than 12m Ago	16	20	18	11	18
Nov 11 – Fewer than 12m Ago	32	28	46	29	31
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
Aug 11 – More than 12m Ago	14	22	17	15	8
Aug 11 – Fewer than 12m Ago	26	23	29	25	27
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
Feb 11 – More than 12m Ago	15	20	7	11	19
Feb 11 – Fewer than 12m Ago	27	25	51	27	21
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
Dec 10 – More than 12m Ago	22	18	38	16	24
Dec 10 – Fewer than 12m Ago	25	29	29	22	25
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 10 – More than 12m Ago	17	20	19	16	18
SBS 10 – Fewer than 12m Ago	21	24	34	19	18
February 2010. n=	501	142	66	148	145
	%	%	%	%	%
Feb 10 – More than 12m Ago	16	17	7	9	25
Feb 10 – Fewer than 12m Ago	27	34	50	22	19
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3a: Numbers employed now compared to 12 months ago ^{iv} – trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
December 2009. n =	500	130	69	136	165
	%	%	%	%	%
Dec 09 – More than 12m Ago	14	18	3	13	16
Dec 09 – Fewer than 12m Ago	38	53	49	36	30
September 2009. n =	501	132	72	143	154
	%	%	%	%	%
Sept 09 – More than 12m Ago	15	17	9	15	17
Sept 09 – Fewer than 12m Ago	32	33	46	23	36
June 2009. n =	500	130	60	148	162
	%	%	%	%	%
June 09 – More than 12m Ago	13	5	6	15	17
June 09 – Fewer than 12m Ago	33	51	45	25	30
April 2009. n =	501	157	62	136	146
	%	%	%	%	%
April 09 – More than 12m Ago	13	10	5	10	19
April 09 – Fewer than 12m Ago	31	41	46	29	25
February 2009. n =	503	111	61	145	186
	%	%	%	%	%
Feb 09 – More than 12m Ago	12	4	19	12	12
Feb 09 – Fewer than 12m Ago	30	37	40	23	31
December 2008. n =	500	123	62	137	178
	%	%	%	%	%
Dec 08 – More than 12m Ago	12	18	9	10	13
Dec 08 – Fewer than 12m Ago	35	32	49	38	29
ASBS 07/08. n =	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08 – More than 12m Ago	20	21	21	18	21
ASBS 07/08 – Fewer than 12m Ago	15	15	14	15	16
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3b: Recruited new employees in the last 12 months ^v – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
November 2011. n=	500	82	48	139	231
	%	%	%	%	%
November 2011	42	52	40	32	47
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
August 2011	39	46	49	37	35
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
February 2011	35	39	32	29	40
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
December 2010	42	38	46	40	43
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010	39	40	37	39	39
February 2010. n=	501	142	66	148	145
	%	%	%	%	%
February 2010	35	37	29	29	42
December 2009. n=	500	130	69	136	165
	%	%	%	%	%
December 2009	32	35	21	27	39
September 2009. n=	501	132	72	143	154
	%	%	%	%	%
September 2009	39	43	34	38	40
June 2009. n=	501	130	60	148	162
	%	%	%	%	%
June 2009	34	24	17	39	39
April 2009. n=	501	157	62	136	146
	%	%	%	%	%
April 2009	36	28	20	35	43
February 2009. n=	503	111	61	145	186
	%	%	%	%	%
February 2009	37	18	28	38	46
December 2008. n=	500	123	62	137	178
	%	%	%	%	%
December 2008	37	47	27	38	36

Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research

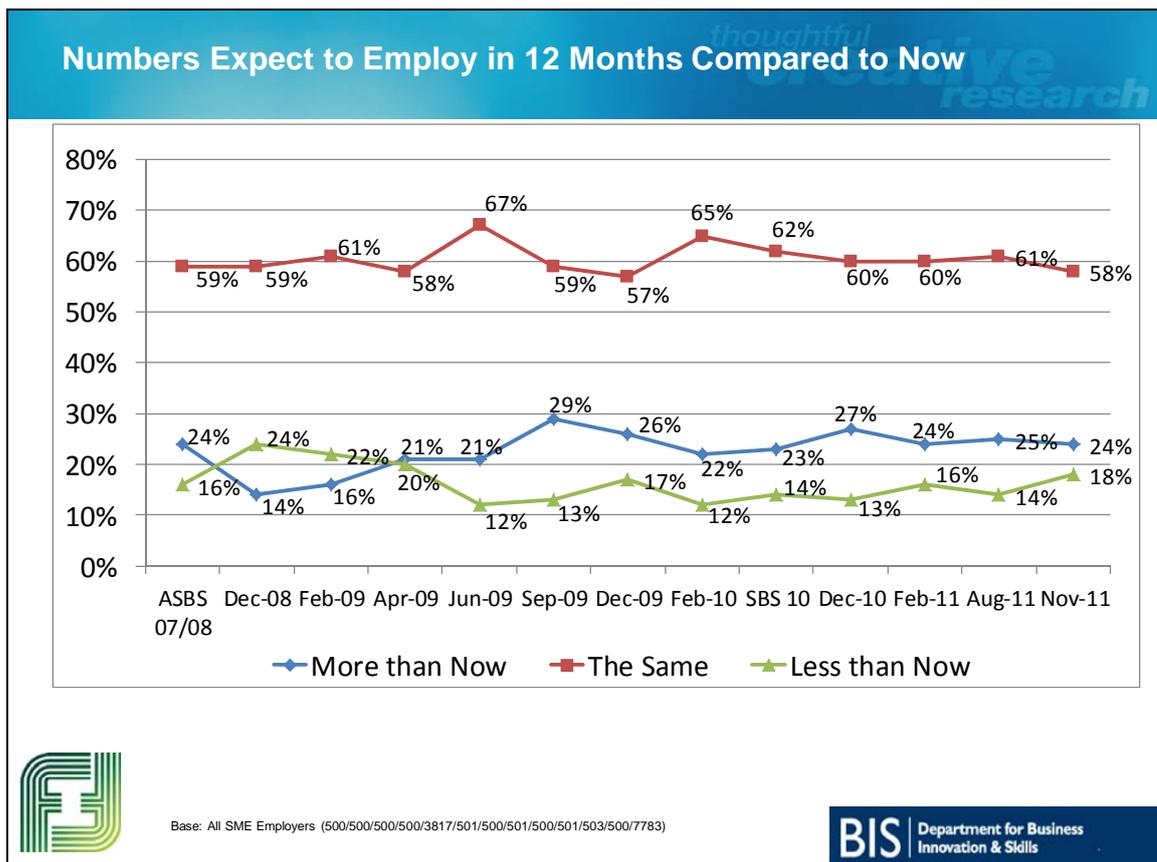
Table 3b: Recruited new employees in the last 12 months ^{vi} – trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
ASBS 07/08. n=	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08	44	45	44	43	45

Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research

Expectations of employment levels in the next 12 months

3.6 In levels that remained relatively constant since September 2009, a quarter (24 per cent) of SME employers in November 2011 thought that they would be employing more staff in 12 months time than they are currently, 58 per cent thought that they would be employing the same amount of staff and 18 per cent thought they would be employing fewer (see Chart 3b below).

Chart 3b: Expectations of numbers employed in 12 months time^{vii}



3.7 Comparing predictions made in the November 2011 Barometer by each of the sectors, SME employers in the transport, retail and distribution sector (TRAD) – who were least likely to state they were employing more staff than 12 months ago (11 per cent compared with an average of 16 per cent) - were also the least likely to predict they would be

employing more staff in 12 months time (16 per cent compared with an average of 24 per cent).

SME employers in the primary and manufacturing were the most optimistic sector in November 2011, with 37 per cent predicting they would be employing more staff in 12 months time than currently.

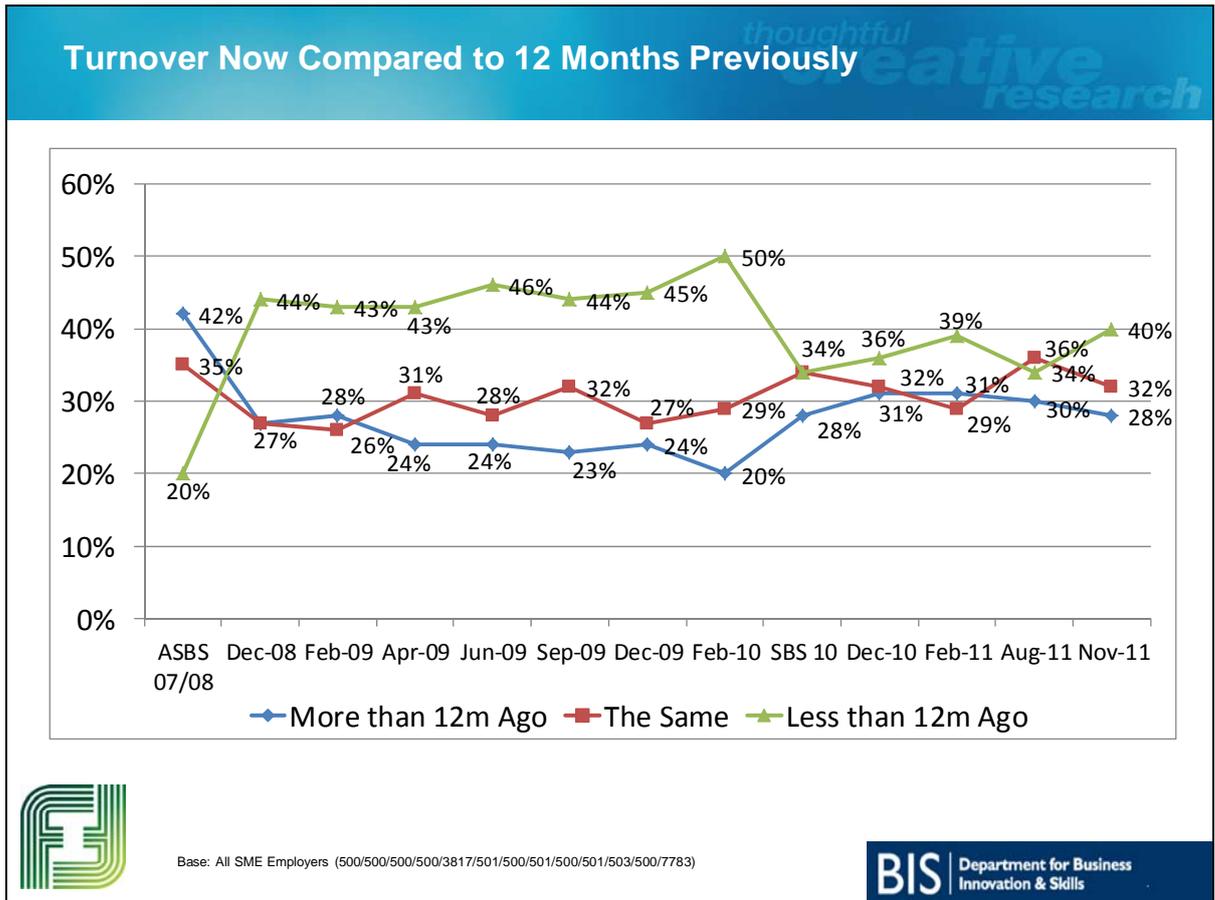
Table 3c: Numbers expect to employ in 12 months time compared to now ^{viii} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011. n=	500	82	48	139	231
	%	%	%	%	%
Nov. 2011 – Will Employ More in 12m	24	37	31	16	24
Nov. 2011 – Will Employ Fewer in 12m	18	15	23	19	16
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
Aug. 2011 – Will Employ More in 12m	26	23	29	25	27
Aug. 2011 – Will Employ Fewer in 12m	14	22	17	15	8
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
Feb. 2011 – Will Employ More in 12m	24	31	31	15	26
Feb. 2011 – Will Employ Fewer in 12m	16	10	28	15	16
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
Dec. 2010 – Will Employ More in 12m	27	29	47	20	26
Dec. 2010 – Will Employ Fewer in 12m	13	11	9	8	20
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010 – Will Employ More in 12m	23	27	19	23	22
SBS 2010 – Will Employ Fewer in 12m	14	13	16	13	14
February 2010. n =	501	142	66	148	145
	%	%	%	%	%
Feb. 2010 – Will Employ More in 12m	22	29	11	23	23
Feb. 2010 – Will Employ Fewer in 12m	12	9	17	10	14
December 2009. n=	500	130	69	136	165
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3c: Numbers expect to employ in 12 months time compared to now ^{ix} – trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
December 2009. n =	500	130	69	136	165
	%	%	%	%	%
Dec. 2009 – Will Employ More in 12m	26	33	23	17	32
Dec. 2009 – Will Employ Fewer in 12m	17	16	17	17	18
June 2009. n =	501	132	72	143	154
	%	%	%	%	%
Sept. 2009 – Will Employ More in 12m	29	35	33	21	32
Sept. 2009 – Will Employ Fewer in 12m	13	15	23	11	10
June 2009. n =	500	130	60	148	162
	%	%	%	%	%
June 2009 – Will Employ More in 12m	21	35	14	10	28
June 2009 – Will Employ Fewer in 12m	12	13	7	17	9
April 2009. n =	501	157	62	136	146
	%	%	%	%	%
April 2009 – Will Employ More in 12m	21	18	14	18	27
April 2009 – Will Employ Fewer in 12m	20	19	15	24	19
February 2009. n =	503	111	61	145	186
	%	%	%	%	%
Feb. 2009 – Will Employ More in 12m	16	21	14	11	18
Feb. 2009 – Will Employ Fewer in 12m	22	21	27	18	24
December 2008. n =	500	123	62	137	178
	%	%	%	%	%
Dec. 2008 – Will Employ More in 12m	14	14	22	11	15
Dec. 2008 – Will Employ Fewer in 12m	24	27	23	27	20
ASBS 07/08. n =	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08 – Will Employ More in 12m	24	22	24	21	29
ASBS 07/08 – Will Employ Fewer in 12m	16	17	18	17	15
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Turnover compared to 12 months ago

3.8 Twenty eight per cent of SME employers have increased their turnover in the last 12 months (an insignificant decrease since August 2011) and for 32 per cent turnover has remained the same (again an insignificant decrease since last Barometer). In a significant increase since the August 2011 Barometer, 40 per cent of SME employers said their turnover has decreased in the last 12 months – a proportion that is in line with the February 2011 Barometer.

Chart 3c: Turnover compared to 12 months ago^x



3.9 As with August and February 2011, those in the primary/manufacturing sector were most likely to report an increase in turnover in the past 12 months, with 40 per cent stating turnover had increased (compared with an average of 28 per cent). Size of business impacted on likelihood to say turnover had increased, with 54 per cent of medium-sized business employers (50 – 249 employees) reporting an increase in turnover compared to 26 per cent of those in micro businesses.

Table 3d: Turnover now compared to 12 months previously ^{xi} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct-	TRAD	Services
November 2011. n =	500	82	48	139	231
	%	%	%	%	%
Nov. 2011 – Turnover Greater Now	28	40	36	26	23
Nov. 2011 – Turnover Less Now	40	28	48	39	41
August 2011. n =	500	100	53	145	202
	%	%	%	%	%
Aug. 2011 – Turnover Greater Now	30	39	38	25	29
Aug. 2011 – Turnover Less Now	34	18	42	35	35
February 2011. n =	500	99	45	127	229
	%	%	%	%	%
Feb. 2011 – Turnover Greater Now	31	39	33	26	31
Feb. 2011 – Turnover Less Now	39	26	53	46	34
December 2010. n =	500	142	71	139	148
	%	%	%	%	%
Dec. 2010 – Turnover Greater Now	31	37	46	30	24
Dec. 2010 – Turnover Less Now	36	30	29	40	38
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010 – Turnover Greater Now	28	26	24	26	31
SBS 2010 – Turnover Less Now	34	35	45	36	30
February 2010. n =	501	142	66	148	145
	%	%	%	%	%
Feb. 2010 – Turnover Greater Now	20	18	2	24	23
Feb. 2010 – Turnover Less Now	50	57	66	43	49
December 2009. n =	500	130	69	136	165
	%	%	%	%	%
Dec. 2009 – Turnover Greater Now	24	24	12	28	24
Dec. 2009 – Turnover Less Now	45	53	44	44	44
September 2009. n =	501	132	72	143	154
	%	%	%	%	%
Sept. 2009 – Turnover Greater Now	23	19	27	23	24
Sept. 2009 – Turnover Less Now	44	50	49	40	44
June 2009. n =	500	130	60	148	162
	%	%	%	%	%
June 2009 – Turnover Greater Now	24	21	23	24	25
June 2009 – Turnover Less Now	46	49	50	49	41
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3d: Turnover now compared to 12 months previously ^{xii} – trends by sector (continued)					
Base = all SME employers	Base = all SME employers	Base = all SME employers	Base = all SME employers	Base = all SME employers	Base = all SME employers
April 2009. N =	501	157	62	136	146
	%	%	%	%	%
April 2009 – Turnover Greater Now	24	16	23	22	28
April 2009 – Turnover Less Now	43	48	49	47	36
February 2009. n =	503	111	61	145	186
	%	%	%	%	%
Feb. 2009 – Turnover Greater Now	28	30	13	24	34
Feb. 2009 – Turnover Less Now	43	42	47	49	37
December 2008. n =	500	123	62	137	178
	%	%	%	%	%
Dec. 2008 – Turnover Greater Now	27	36	14	22	31
Dec. 2008 – Turnover Less Now	44	36	45	52	41
ASBS 07/08. n =	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08 – Turnover Greater Now	42	47	40	38	45
ASBS 07/08 – Turnover Less Now	20	19	17	23	19
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Profit – performance in the last 12 months

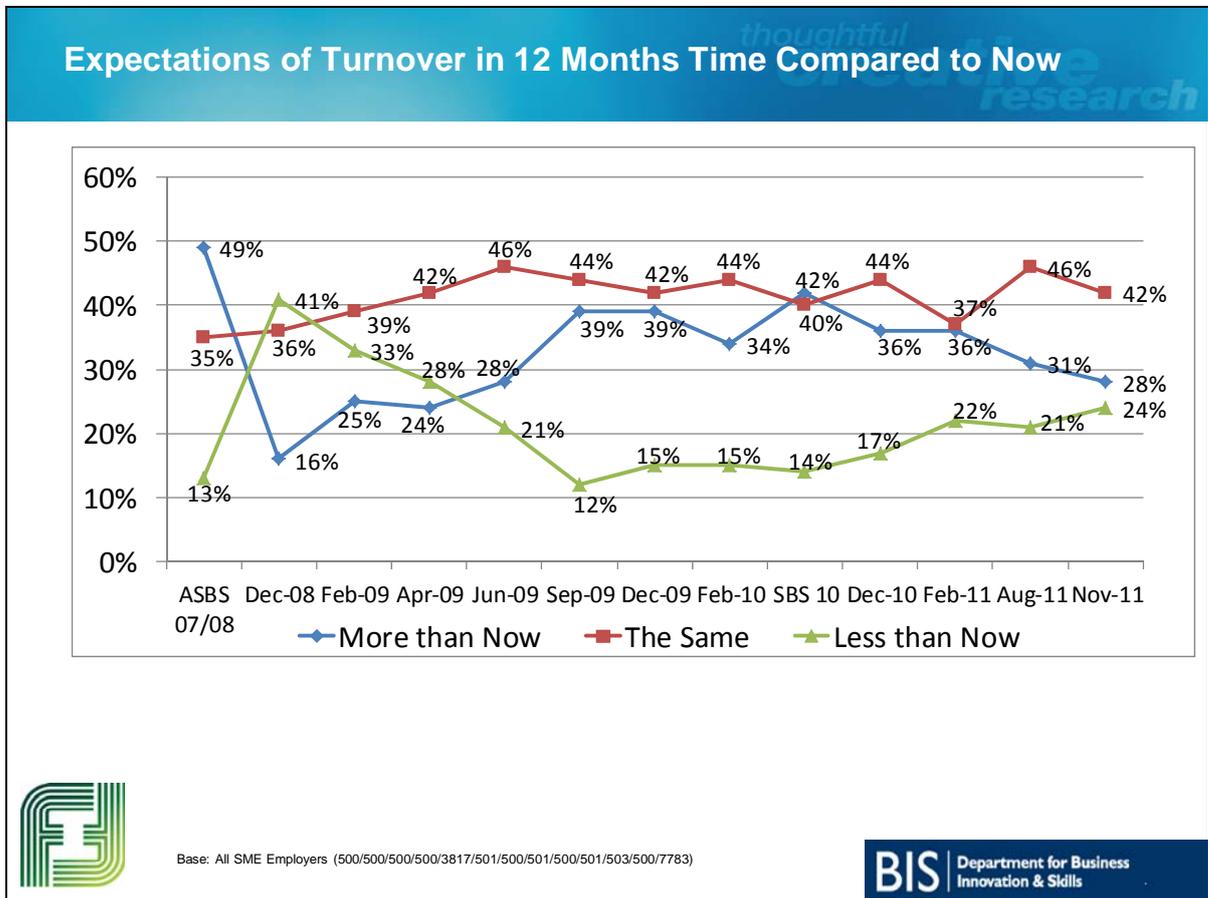
- 3.10 Sixty one per cent of SME employers made a profit or surplus in the 12 months up to November 2011. Thirty eight per cent had managed to increase their profit or surplus compared with the previous 12 months, whilst 23 per cent had made a profit or surplus which was lower than the previous 12 months. The overall proportion of SME employers stating they had made a profit was significantly lower than in August 2011 (71 per cent), though broadly in line with levels seen in previous Barometers.
- 3.11 No sector was significantly more likely to have made a profit (see Table 3e overleaf). However, those in the services sector were more likely than average to have made a profit which was lower than the previous year (29 per cent).

Table 3e: Whether generated a profit or surplus in the last 12 months ^{xiii} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011. n =	500	82	48	139	231
	%	%	%	%	%
Yes – profit/surplus increased compared with previous 12 months	38	40	46	38	34
Yes – profit/surplus decreased compared with previous 12 months	23	15	17	20	29
No profit/surplus	32	35	31	30	33
Don't know/refused	7	10	6	11	3
ANY PROFIT/SURPLUS	61	55	63	58	63
August 2011. n =	500	100	53	145	202
	%	%	%	%	%
Yes – profit/surplus increased compared with previous 12 months	41	47	46	41	38
Yes – profit/surplus decreased compared with previous 12 months	30	21	30	34	29
No profit/surplus	24	24	24	19	29
Don't know/refused	5	8	0	5	3
ANY PROFIT/SURPLUS	71	68	76	75	68
September 2009. n =	501	132	72	143	154
	%	%	%	%	%
Yes – profit/surplus increased compared with previous 12 months	28	23	29	25	32
Yes – profit/surplus decreased compared with previous 12 months	35	43	45	34	29
No profit/surplus	27	26	25	27	29
Don't know/refused	10	8	1	14	10
ANY PROFIT/SURPLUS	63	64	73	59	62
December 2008	500	123	62	137	178
	%	%	%	%	%
Yes – profit/surplus increased compared with previous 12 months	39	50	28	33	44
Yes – profit/surplus decreased compared with previous 12 months	26	21	49	27	21
No profit/surplus	29	27	17	35	28
Don't know/refused	5	2	5	5	7
ANY PROFIT/SURPLUS	66	72	78	61	65
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Future turnover expectations

3.12 In results relatively similar to the last Barometer, 28 per cent of SME employers expect their turnover will have increased in 12 months time, 42 per cent expect it to remain the same and 24 per cent expect it to decrease.

Chart 3d: Turnover expectations in 12 months time^{xiv}



3.13 Looking at the results by sector (see Table 3f overleaf), primary/manufacturing was the sector most likely to predict an increase in turnover over the next 12 months (this sector was also more likely to have reported an increase in turnover compared to 12 months ago).

3.14 Size of business had an impact on likelihood to expect an increase in turnover in the next 12 months, with 47 per cent of medium sized business employers expecting an increase in turnover in 12 months time compared with 27 per cent of micro business employers making this prediction.

Table 3f: Expectations of turnover in 12 months time ^{exv} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011. n =	500	82	48	139	231
	%	%	%	%	%
November 2011 – Greater than Now	28	44	27	22	28
November 2011 – Less than Now	24	11	21	30	24
August 2011. n =	500	100	53	145	202
	%	%	%	%	%
August 2011 – Greater than Now	31	38	42	30	25
August 2011 – Less than Now	21	12	25	22	22
February 2011. n =	500	99	45	127	229
	%	%	%	%	%
February 2011 – Greater than Now	36	41	45	32	36
February 2011 – Less than Now	22	16	21	29	19
December 2010. n =	500	142	71	139	148
	%	%	%	%	%
December 2010 – Greater than Now	36	42	51	38	27
December 2010 – Less than Now	17	11	21	12	22
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010 – Greater than Now	41	49	34	40	42
SBS 2010 – Less than Now	14	13	22	13	13
February 2010. n =	501	142	66	148	145
	%	%	%	%	%
February 2010 – Greater than Now	34	40	30	33	35
February 2010 – Less than Now	15	21	13	20	9
December 2009. n=	500	130	69	136	165
	%	%	%	%	%
Dec. 2009 – Greater than Now	39	40	24	44	38
Dec. 2009 – Less than Now	15	17	24	14	13
September 2009. n =	501	132	72	143	154
	%	%	%	%	%
Sept. 2009 – Greater than Now	39	45	29	35	44
Sept. 2009 – Less than Now	12	13	20	9	13
June 2009. n =	500	130	60	148	162
	%	%	%	%	%
June 2009 – Greater than Now	28	30	15	22	37
June 2009 – Less than Now	21	22	18	17	24
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3f: Expectations of turnover in 12 months time ^{xvi} – trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
April 2009. n =	501	157	62	136	146
	%	%	%	%	%
April 2009 – Greater than Now	24	18	7	22	34
April 2009 – Less than Now	28	37	34	26	25
February 2009. n =	503	111	61	145	186
	%	%	%	%	%
February 2009 – Greater than Now	25	27	10	26	27
February 2009 – Less than Now	33	32	48	36	26
December 2008. n =	500	123	62	137	178
	%	%	%	%	%
December 2008 – Greater than Now	16	18	20	10	18
December 2008 – Less than Now	41	52	42	41	38
ASBS 07/08. n =	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08 – Greater than Now	49	51	44	47	51
ASBS 07/08 – Less than Now	13	11	13	14	11
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Profit/surplus in the next 12 months

- 3.15 Seventy per cent of SME employers in November 2011 expected to make a profit or surplus in the next 12 months - a proportion slightly though not significantly lower than the previous two Barometers (see Table 3g overleaf).
- 3.16 As with turnover and employment expectations for the next 12 months those in the primary/manufacturing sector were most likely to predict they would make a profit in the next 12 months, with 88 per cent making this prediction.
- 3.17 Eighty six per cent of medium sized business employers and 77 per cent of small business employers thought they would make a profit, compared to 69 per cent of micro employers.

Table 3g: Expectations of making a profit in the next 12 months ^{xvii} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011. n =	500	82	48	139	231
	%	%	%	%	%
Yes	70	88	64	69	67
No	25	10	31	27	27
Don't know/refused	5	3	5	4	6
August 2011. n =	500	100	53	145	202
	%	%	%	%	%
Yes	75	78	85	78	69
No	22	19	13	18	29
Don't know/refused	3	3	2	4	2
September 2009. n =	501	132	72	143	154
	%	%	%	%	%
Yes	76	77	76	75	75
No	21	22	19	22	20
Don't know/refused	4	*	5	4	4
December 2008. n=	500	123	62	137	178
	%	%	%	%	%
Yes	70	68	71	69	72
No	26	31	20	31	23
Don't know/refused	3	1	9	1	5
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research * = a figure larger than zero but less than 0.5%					

Growth ambitions over the next two to three years

- 3.18 In the November 2011 Barometer, 64 per cent of SME employers reported that they expect to grow their businesses over the next two to three years, a slight though not significant decrease since August 2011.
- 3.19 Services was the sector most likely to have growth ambitions, with 72 per cent of this sector aiming to grow their business over the next 2-3 years. At 43 per cent, construction employers are the least likely to say they aim to grow their business.

3.20 Eighty eight per cent of medium-sized SME employers aim to grow their business in the next 2-3 years, compared with 69 per cent of small business employers and 62 per cent of micro employers.

Table 3h: Expect to grow over the next two to three years ^{xviii} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
November 2011. n =	500	82	48	139	231
	%	%	%	%	%
November 2011	64	70	43	59	72
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
August 2011	68	77	63	61	73
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
February 2011	70	73	75	71	67
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
December 2010	69	63	66	71	72
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010	74	77	78	69	75
February 2010. n =	501	142	66	148	145
	%	%	%	%	%
February 2010	67	70	56	63	72
December 2009. n =	500	130	69	136	165
	%	%	%	%	%
December 2009	66	74	61	62	67
September 2009. n =	501	132	72	143	154
	%	%	%	%	%
September 2009	63	69	51	62	66
June 2009. n =	500	130	60	148	162
	%	%	%	%	%
June 2009	62	64	58	55	69
April 2009. n =	501	157	62	136	146
	%	%	%	%	%
April 2009	60	63	63	50	67
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
February 2009. n =	503	111	61	145	186
	%	%	%	%	%
February 2009	65	61	48	62	74
December 2008. n =	500	123	62	137	178
	%	%	%	%	%
December 2008	56	56	44	58	55
ASBS 07/08. n =	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08	67	70	61	65	70
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

3.21 In results similar to the other two 2011 Barometers, 23 per cent of SME employers have increased their growth plans in the last 6 months, 22 per cent have reduced growth plans and over half (55 per cent) of SME employers have not changed their growth plans in the last 6 months.

3.22 Those in the TRAD sector are now more likely than other types of business to have reduced growth plans (28 per cent compared to an average of 22 per cent). Results do not vary by size of business.

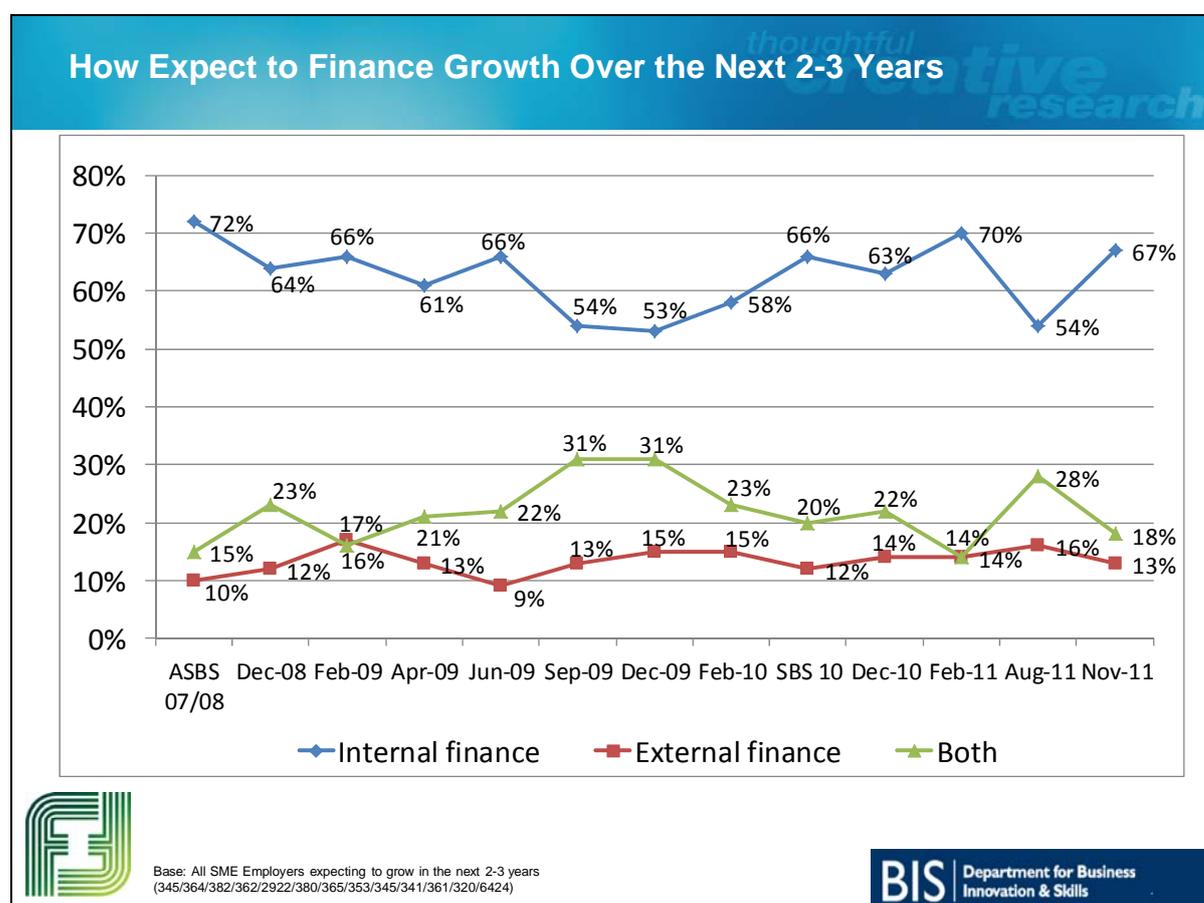
Base = All SME Employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Significantly reduced growth plans	11	6	6	15	10
Slightly reduced growth plans	11	12	5	13	11
Not changed growth plans	55	65	59	53	51
Slightly increased growth plans	20	14	29	17	21
Significantly increased growth plans	3	4	1	1	5
INCREASED	23	18	30	18	26
REDUCED	22	18	12	28	21
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3i: Changes to plans for growing business in the last six months ^{xxi} – trends by sector (continued)					
Base = All SME Employers	All	Primary/ Manu	Construct-	TRAD	Services
August 2011	500	100	53	145	202
	%	%	%	%	%
Significantly reduced growth plans	8	7	15	6	9
Slightly reduced growth plans	11	7	10	13	10
Not changed growth plans	61	67	59	68	53
Slightly increased growth plans	16	15	15	9	22
Significantly increased growth plans	4	3	1	4	6
INCREASED	20	18	16	13	28
REDUCED	19	15	25	19	19
February 2011	500	99	45	127	229
	%	%	%	%	%
Significantly reduced growth plans	10	1	26	11	7
Slightly reduced growth plans	12	9	14	12	13
Not changed growth plans	57	60	46	61	55
Slightly increased growth plans	16	20	15	11	18
Significantly increased growth plans	5	10	0	4	6
INCREASED	21	30	15	15	25
REDUCED	22	10	39	24	20
December 2010	500	142	71	139	148
	%	%	%	%	%
Significantly reduced growth plans	7	8	20	4	6
Slightly reduced growth plans	7	2	8	8	6
Not changed growth plans	68	72	57	72	67
Slightly increased growth plans	12	10	8	11	15
Significantly increased growth plans	6	8	7	4	6
INCREASED	18	18	15	16	20
REDUCED	14	10	28	13	12
December 2008	500	142	71	139	148
	%	%	%	%	%
Significantly reduced growth plans	13	16	20	10	13
Slightly reduced growth plans	14	8	22	18	9
Not changed growth plans	64	63	55	62	69
Slightly increased growth plans	6	8	1	6	8
Significantly increased growth plans	2	3	1	4	1
INCREASED	9	11	2	10	8
REDUCED	27	24	42	28	22
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Investment and funding growth

- 3.23 Two thirds (67 per cent) of SME employers who aim to grow their business plan to fund this growth through only using internal finance, 13 per cent plan only to use external finance and 18 per cent plan to use both. In August 2011 results had shifted more towards SME employers planning to use both internal and external finance to fund growth, whereas the results from the latest Barometer now appear to be shifting back in line with results from the other 2011 and 2010 Barometers.
- 3.24 Sector-wise the only difference is that those in the primary/manufacturing sector are the most likely to plan to use both internal and external finance to fund growth (27 per cent compared to an average of 18 per cent).

Chart 3e: How fund growth in the next 2-3 years^{xxii}



- 3.25 Sixty six per cent of those who plan to grow their business over the next 2-3 years plan to invest in their business over the next 12 months to help to achieve this growth (a significant increase since August 2011).
- 3.26 Those in the primary/manufacturing sector aiming to grow their business are the most likely to say they are going to invest in their business over the next 12 months to help achieve this growth (at 81 per cent) whereas those in the TRAD sector are the least likely (at 53 per cent).

Table 3j: Whether planning to increase investment in next 12 months to achieve growth ^{xxiii} – trends by sector					
Base = all who plan to grow	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011. n=	345	62	24	91	168
	%	%	%	%	%
No	32	19	24	45	29
Yes	66	81	75	53	68
- Training existing staff	46	40	79	41	45
- New machinery/equipment	41	47	42	36	40
- Hire new staff	35	35	58	30	35
- Move premises	7	6	8	4	8
August 2011. n=	364	84	37	98	145
	%	%	%	%	%
No	39	33	56	36	39
Yes	58	63	44	59	59
- Training existing staff	40	43	20	37	47
- New machinery/equipment	32	59	16	31	23
- Hire new staff	30	37	6	33	32
- Move premises	12	16	11	5	15
February 2011. n=	382	83	36	102	161
	%	%	%	%	%
No	41	40	57	38	38
Yes	58	60	43	57	62
- Training existing staff	39	42	38	34	43
- New machinery/equipment	36	48	20	44	32
- Hire new staff	29	31	24	26	32
- Move premises	11	11	11	10	11
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 3j: Whether planning to increase investment in next 12 months to achieve growth ^{xxiv} – trends by sector (continued)					
Base = all who plan to grow	All	Primary/ Manu	Construct- ion	TRAD	Services
December 2010. n=	362	102	43	106	111
	%	%	%	%	%
No	36	31	29	47	30
Yes	62	65	65	51	69
- Training existing staff	41	47	54	26	49
- New machinery/equipment	43	51	39	40	44
- Hire new staff	35	35	44	17	45
- Move premises	9	7	17	5	10
February 2010. n=	380	115	42	108	115
	%	%	%	%	%
No	42	42	57	43	37
Yes	55	47	43	54	61
- Training existing staff	36	27	26	35	42
- New machinery/equipment	34	24	15	39	39
- Hire new staff	26	24	24	21	31
- Move premises	12	10	3	16	13
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

- 3.27 Almost a third (32 per cent) of businesses have reduced or delayed investment plans due to recent economic conditions, a significant increase on the August 2011 Barometer (when the figure was 27 per cent) but in line with the February 2011 Barometer (when this figure was 33 per cent). Eight per cent had increased or brought forward investment plans due to recent economic conditions.
- 3.28 The transport, retail and distribution sector was the most likely sector to have reduced or delayed investment, with 36 per cent of TRAD businesses saying this was the case. This result is a reversal of what happened between the February 2011 and August 2011 Barometer, when the proportion of TRAD businesses reducing or delaying investment decreased significantly.

Table 3k: Changes to long term investment plans as a result of recent economic conditions ^{xxv} – trends by sector					
Base = All SME Employers	All	Primary/ Manu	Constructi on	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Significantly reduced or delayed	17	8	21	22	15
Slightly reduced or delayed	15	21	5	14	17
Not changed long term	58	64	68	58	54
Slightly increased or brought forward	5	3	1	3	10
Significantly increased or brought forward	3	2	5	3	3
INCREASED OR BROUGHT FORWARD	8	5	5	6	13
REDUCED OR DELAYED	32	29	27	36	32
August 2011	500	100	53	145	202
	%	%	%	%	%
Significantly reduced or delayed	14	8	29	12	14
Slightly reduced or delayed	13	17	10	11	15
Not changed long term	67	70	57	70	67
Slightly increased or brought forward	3	3	4	2	3
Significantly increased or brought forward	2	2	1	6	1
INCREASED OR BROUGHT FORWARD	5	6	4	7	4
REDUCED OR DELAYED	27	25	39	23	29
February 2011	500	99	45	127	229
	%	%	%	%	%
Significantly reduced or delayed	20	18	29	24	16
Slightly reduced or delayed	13	11	7	12	15
Not changed long term	59	64	54	58	60
Slightly increased or brought forward	5	6	5	4	6
Significantly increased or brought forward	2	1	0	2	2
INCREASED OR BROUGHT FORWARD	7	7	5	6	8
REDUCED OR DELAYED	33	29	37	36	31
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research.					

Table 3k: Changes to long term investment plans as a result of recent economic conditions ^{xxvi} – trends by sector (continued)					
Base = All SME Employers	All	Primary/ Manu	Constructi on	TRAD	Services
December 2010	500	142	71	139	148
	%	%	%	%	%
Significantly reduced or delayed	14	12	15	13	14
Slightly reduced or delayed	15	7	28	17	11
Not changed long term	64	73	47	62	67
Slightly increased or brought forward	5	7	4	3	8
Significantly increased or brought forward	3	2	7	5	*
INCREASED OR BROUGHT FORWARD	8	9	11	7	8
REDUCED OR DELAYED	28	18	43	31	25
December 2008	500	123	62	137	178
	%	%	%	%	%
Significantly reduced or delayed	19	18	26	18	18
Slightly reduced or delayed	14	20	26	15	8
Not changed long term	62	56	43	59	73
Slightly increased or brought forward	2	5	2	2	3
Significantly increased or brought forward	3	1	2	5	1
INCREASED OR BROUGHT FORWARD	4	6	4	7	1
REDUCED OR DELAYED	33	38	52	33	26
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research. * = a figure which is more than 0%, but less than 0.5%					

Exports

- 3.29 In results similar to previous Barometers, 24 per cent of SME employers taking part in the November 2011 Barometer were exporting goods or services outside the UK.
- 3.30 As with previous Barometers, the construction sector was the least likely to be exporting (seven per cent compared to an average of 24 per cent).

Table 3I: Whether currently exporting goods or selling outside of the UK ^{xxvii} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
November 2011 - Exporting	24	32	7	26	25
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
August 2011 - Exporting	23	45	6	21	23
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
February 2011 - Exporting	20	34	8	24	16
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
December 2010 - Exporting	26	42	20	28	20
SBS 2010 (July-September). n=	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010 - Exporting	23	36	13	18	24
February 2010. n=	501	142	66	148	145
	%	%	%	%	%
February 2010 - Exporting	22	33	17	21	21
December 2009.n=	500	130	69	136	165
	%	%	%	%	%
December 2009 – Exporting	24	44	6	18	26
September 2009. n=	501	132	72	143	154
	%	%	%	%	%
September 2009 – Exporting	18	41	7	14	18
June 2009. n=	500	130	60	148	162
	%	%	%	%	%
June 2009 – Exporting	20	34	7	14	24

Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research
From the August 2011 Barometer onwards the question has changed to include the licensing of products outside of the UK

Table 3l: Whether currently exporting goods or selling outside of the UK ^{xxviii} – trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
April 2009. n=	501	157	62	136	146
	%	%	%	%	%
April 2009 – Exporting	16	36	7	10	17
February 2009. n=	503	111	61	145	186
	%	%	%	%	%
February 2009 - Exporting	19	37	4	15	21
December 2008. n=	500	123	62	137	178
	%	%	%	%	%
December 2008- Exporting	22	44	10	17	21
ASBS 07/08. n=	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08- Exporting	24	36	11	21	26
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

3.31 In a significant increase since the August 2011 Barometer, 39 per cent of exporting SME employers expected levels of exports to rise in the next 12 months (28 per cent of SME employers felt this would be the case in the August 2011 Barometer). Forty nine per cent of SME employers in November 2011 felt their export levels would stay the same over the next 12 months and 11 per cent felt levels would decrease.

Almost a quarter (24 per cent) of exporting SMEs said in the November 2011 Barometer that export levels had increased as a result of economic conditions. This, again, is a significant increase since August 2011, when only six per cent had said this. Sixteen per cent of exporting said levels had decreased as a direct result of economic conditions. Table 3m: Whether levels of exports changed as a direct result of economic conditions ^{xxix}				
	Nov. 2011	Aug. 2011	Feb. 2009	Dec. 2008
Base = all SME employers that export	n=137	n=139	n=123	n=154
	%	%	%	%
Significantly increased	8	4	10	5
Slightly increased	15	2	10	6
Not changed	60	71	57	74
Slightly reduced	12	14	18	3
Significantly reduced	3	7	6	12
ANY INCREASE	24	6	20	11
ANY DECREASE	16	20	23	16
Refused	*	2	0	0
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers				

- 3.32 Three per cent of SME employers who were not currently exporting planned to start doing so in the next 12 months, a proportion that is exactly the same as found in the August and February 2011 Barometers and very similar to previous Barometers.
- 3.33 The majority (62 per cent) of those who were not exporting at the time of the November 2011 Barometer and who had no plans to do so said this was the case because they did not have a product or service that could be exported. Sixteen per cent said that they had sufficient business in the UK and 13 per cent said that it was not part of their business plan.

Table 3n: Main barriers to export ^{xxx}			
	Nov 2011	Aug 2011	SBS 2010
Base = all SME employers who are not exporting, and have no plans to do so	n=346	n=349	n=2766
	%	%	%
Do not have a product/service that can be exported	62	61	39
Have sufficient business in the UK/prefer to be local	16	20	16
Not part of the business plan	13	19	34
Lack of finance to enable exporting	5	3	N/A
Regulations/red tape	3	2	N/A
Business too small/new	2	3	2
Little knowledge of how to export	1	3	2
Difficulty finding overseas customers	1	2	3
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers			

4 Business environment

Obstacles to success

4.1 In the November 2011 Barometer, 36 per cent of SME employers said the state of the economy was the *main* obstacle to the success of their business – a significant decrease since the August 2011 Barometer (45 per cent). Taxation/VAT/PAYE/business rates and competition were both mentioned as the main obstacle by 11 per cent of SME employers, and obtaining finance and cashflow issues were mentioned as the main obstacle by 10 per cent of SME employers.

Table 4a: Main obstacle to the success of the business ^{xxxi}													
	Nov. 2011	Aug. 2011	Feb. 2011	Dec. 2010	SBS 2010	Feb. 2010	Dec. 2009	Sept. 2009	June 2009	Apr. 2009	Feb. 2009	Dec. 2008	ASBS 07/08
Base = all SME employers	n=500	n=500	n=500	n=500	n=3817	n=501	n=500	n=501	n=500	n=501	n=503	n=500	n=7783
	%	%	%	%	%	%	%	%	%	%	%	%	%
The Economy	36	45	39	32	33	39	34	36	32	33	39	41	16
Taxation, VAT, PAYE, NI, rates	11	10	9	8	8	9	8	9	6	14	7	9	12
Competition	11	8	8	12	10	9	12	8	12	12	7	7	14
Obtaining finance	10	12	7	10	8	9	5	9	8	6	4	6	3
Cashflow	10	8	10	12	11	11	11	6	12	10	12	10	9
Regulations	6	6	8	8	7	7	8	13	12	8	12	7	12
Figures in bold are statistically significant changes at the 95% confidence level between the November and August 2011 Barometers													

4.2 As with the last wave, the economy was the main obstacle mentioned in all sectors. Those in the primary/manufacturing and transport, retail and distribution sectors were more likely to mention Taxation and business rates related issues as the main obstacle (19 per cent and 17 per cent respectively compared to 11 per cent overall).

Table 4b: Main obstacle to the success of the business ^{xxxii} - trends by sector					
Base = all SME employers	All	Primary/ Manu	Construc- tion	TRAD	Services
November 2011. n=	500	82	48	139	231
	%	%	%	%	%
The Economy	36	29	41	37	37
Taxation, VAT, PAYE, NI, rates	11	19	5	17	5
Competition	11	9	11	12	11
Obtaining finance	10	7	15	7	11
Cashflow	10	12	12	6	11
Regulations	6	8	14	4	4
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
The Economy	45	37	36	47	48
Obtaining finance	12	5	17	7	16
Taxation, VAT, PAYE, NI, rates	10	12	1	17	6
Cashflow	8	14	13	4	8
Competition	8	3	13	9	6
Regulations	6	11	6	3	6
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
The Economy	39	26	33	41	44
Cashflow	10	13	14	4	13
Taxation, VAT, PAYE, NI, rates	9	19	13	12	3
Competition	8	12	4	9	8
Regulations	8	3	9	8	10
Obtaining finance	7	3	9	8	6
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
The Economy	32	23	28	26	42
Competition	12	13	11	16	8
Cashflow	12	9	14	13	13
Obtaining finance	10	14	5	12	10
Regulations	8	12	8	5	10
Taxation, VAT, PAYE, NI, rates etc.	8	6	8	11	6
Figures in bold are statistically significant at the 95% confidence level against the total for that wave					

Table 4b: Main obstacle to the success of the business ^{xxxiii} - trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construc- tion	TRAD	Services
February 2010. n=	501	142	66	148	145
	%	%	%	%	%
The Economy	39	43	53	32	38
Cashflow	11	18	12	11	8
Competition	9	7	10	13	6
Taxation, VAT, PAYE, NI, rates etc.	9	4	8	10	9
Obtaining finance	9	8	7	10	9
Regulations	7	7	3	9	7
February 2009. n=	503	111	61	145	186
	%	%	%	%	%
The Economy	39	36	50	41	34
Cashflow	12	17	13	11	11
Regulations	12	8	7	10	16
Competition	7	5	8	9	5
Taxation, VAT, PAYE, NI, rates etc.	7	5	11	8	5
Obtaining finance	4	7	1	1	7
Figures in bold are statistically significant at the 95% confidence level against the total for that wave					

Cashflow

- 4.3 In the November 2011 Barometer, 47 per cent of SME employers identified cashflow as an obstacle to the success of their business (an increase of five percentage points since August 2011) and nine per cent said this was their main obstacle (a similar level to recent Barometers).
- 4.4 Looking at the underlying causes of cashflow difficulty, the most common one mentioned was a fluctuating income combined with steady outgoings (mentioned by 75 per cent of those with cashflow difficulties). Late payment from individual customers and late payment from other businesses were the next most frequent causes mentioned (by 66 per cent and 58 per cent respectively).
- 4.5 Compared to August 2011, SME employers in November 2011 were more likely to mention tax payment timings (46 per cent compared to 35 per cent the previous wave) and also the need to offer credit to customers (also 46 per cent compared with 35 per cent previously).
- 4.6 The construction sector was more likely than average to mention late payment from individual customers as a cause of cashflow issues (86 per cent compared with 66 per cent overall), as was the services sector (77 per cent). Those in the construction industry were also most likely to mention individual customers expecting them to offer credit as an issue (63 per cent compared to 46 per cent overall).

4.7

Table 4c: Causes of cashflow difficulties ^{xxxiv}													
	Nov. 2011	Aug. 2011	Feb. 2011	Dec. 2010	SBS 2010	Feb. 2010	Dec. 2009	Sept 2009	June 2009	Apr. 2009	Feb. 2009	Dec. 2008	ASBS 07/08
Base = All for whom cashflow is an obstacle	n=214	n=221	n=206	n=222	n=1687	n=249	n=219	n = 218	n = 256	n=233	n=269	n=262	n=3403
	%	%	%	%	%	%	%	%	%	%	%	%	%
Income fluctuates while outgoings are steady	75	80	79	83	77	71	75	73	74	80	71	74	71
Late payment from individual customers	66	58	59	62	60	59	63	54	65	62	67	61	56
Late payment from other businesses	58	58	59	65	60	58	69	56	68	64	63	64	56
Tax payment timings	46	35	46	44	42	30	40	51	38	40	32	35	37
Need to offer credit to customers	46	35	31	41	39	38	43	38	49	35	41	30	38
High levels of working capital needed	42	43	49	38	49	34	50	46	43	45	38	39	49
Early payment required by suppliers	42	38	35	33	39	33	33	34	39	34	36	38	38
High levels of investment required by business	33	28	24	24	41	19	36	34	24	24	25	30	39
Outgoings fluctuate but income is steady	27	19	24	22	24	27	20	32	25	26	17	23	26
Difficult to get credit from suppliers	22	15	27	20	26	16	24	23	20	24	19	18	18
Figures in bold are statistically significant changes at the 95% confidence level between the November and August 2011 Barometers													

Payment times from the Public Sector

- 4.8 In the November 2011 Barometer, 30 per cent of SME employers reported having worked for public sector clients, with 24 per cent having worked for public clients in the last 6 months.
- 4.9 The service sector was more likely to have worked for the public sector than others (37 per cent), and the TRAD sector the least likely (21 per cent), which is in line with previous Barometers.

Table 4f: Work for the Public Sector ^{xxxv} - trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011. n=	500	82	48	139	231
	%	%	%	%	%
Nov. 2011 – Any Public Sector Clients	30	36	29	21	37
Nov. 2011 – Any Work Last 6 Months	24	31	24	13	30
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
Aug. 2011 – Any Public Sector Clients	26	23	23	21	33
Aug. 2011 – Any Work Last 6 Months	17	16	15	11	24
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
Feb. 2011 – Any Public Sector Clients	28	27	29	23	31
Feb. 2011 – Any Work Last 6 Months	18	19	23	14	20
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
Dec. 2010 – Any Public Sector Clients	25	20	31	18	31
Dec. 2010 – Any Work Last 6 Months	20	17	24	13	25
February 2010. n=	501	142	66	148	145
	%	%	%	%	%
Feb. 2010 – Any Public Sector Clients	30	36	48	17	32
Feb. 2010 – Any Work Last 6 Months	23	29	42	11	25
December 2009. n=	500	130	69	136	165
	%	%	%	%	%
Dec 2009 – Any Public Sector Clients	30	31	53	18	33
Dec 2009 – Any Work Last 6 Months	24	29	47	10	27
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 4f: Work for the Public Sector ^{xxxvi} - trends by sector (continued)					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
September 2009. n=	501	132	72	143	154
	%	%	%	%	%
Sept. 2009 – Any Public Sector Clients	27	37	36	15	30
Sept. 2009 – Any Work Last 6 Months	22	33	32	13	22
April 2009. n=	501	157	62	136	146
	%	%	%	%	%
April 2009 – Any Public Sector Clients	26	22	44	13	32
April 2009 – Any Work Last 6 Months	18	17	42	13	16
February 2009. n=	503	111	61	145	186
	%	%	%	%	%
Feb. 2009 – Any Public Sector Clients	26	25	37	23	26
Feb. 2009 – Any Work Last 6 Months	20	20	27	15	21
December 2008. n=	500	123	62	137	178
	%	%	%	%	%
Dec. 2008 – Any Public Sector Clients	20	19	30	12	23
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

- 4.10 As was the case in previous Barometers, larger SMEs were more likely to have had dealings with the public sector than smaller ones. Thirty per cent of micro businesses had public sector customers, compared to 33 per cent of small ones, and 40 per cent of medium sized businesses.
- 4.11 Twelve per cent of those who have worked for the public sector in the last 6 months said they were doing more work for them than was the case 12 month previously (five per cent much more work, eight per cent slightly more work). Thirty nine per cent were doing the same amount of work as before. Fifty per cent were doing less work for the public sector than was the case 12 months previously.
- 4.12 Six per cent of those who had worked for the public sector in the last 6 months had noticed that they were being paid quicker than was the case before and 17 per cent said payment times had slowed down. Once again, the majority (57 per cent) said that the speed of payment had not changed and they were still mainly paid promptly, though 17 per cent reported that payment times had not changed and they were still mainly paid slowly.

Table 4g: Whether noticed any change in the speed of payment by Public Sector bodies in the Last 6m^{xxxvii}										
Base = All who have dealt with public sector bodies in the last 6 months	Nov. 2011	Aug. 2011	Feb. 2011	Dec 2010	Feb 2010	Dec 2009	Sept 2009	June 2009	Apr. 2009	Feb 2009
	n=135	n=130	n=115	n=128	n=136	n=160	n=141	n=180	n=125	n=127
	%	%	%	%	%	%	%	%	%	%
Payment has speeded up	6	10	6	2	10	11	10	8	15	13
No change – still mainly paid promptly	57	47	53	44	63	50	52	59	43	51
No change – still mainly paid slowly	17	20	8	23	10	21	26	22	6	2
Payment has slowed down	17	19	16	19	13	12	7	7	17	19
It varies/other	*	0	12	6	*	3	*	2	3	2
Don't know/refused	*	3	5	6	2	3	5	2	6	5
TOTAL PROMPT PAID	63	58	59	46	74	62	61	67	58	64
TOTAL SLOW PAID	34	39	22	43	23	33	33	29	23	21
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers. * = a figure which is more than 0%, but less than 0.5%										

- 4.13 Among those who had worked for the public sector in the last 6 months, 57 per cent had Local Authorities as their main client, 13 per cent had Government departments, 11 per cent had Health Services and 10 per cent Higher Education Institutions.
- 4.14 Table 4h overleaf shows perceptions of payment times from the public sector by type of main public sector client. As with August 2011 there were no significant differences between these two types of organisation.

Table 4h: Whether noticed any change in the speed of payment by Public Sector bodies in the last 6 months ^{xxxviii} , by main type of Public Sector client			
Base = All who dealt with public sector bodies in the last 6 months	All	Local Authorities	Other Public Sector
November 2011	n=135	n=78	n=55
	%	%	%
Payment has speeded up	6	6	8
No change – still mainly paid promptly	57	58	54
No change – still mainly paid slowly	17	10	26
Payment has slowed down	17	24	8
Other/Don't know	1	1	4
TOTAL PROMPT PAID	63	64	62
TOTAL SLOW PAID	34	34	34
August 2011	n=130	n=64	n=65
	%	%	%
Payment has speeded up	10	11	10
No change – still mainly paid promptly	47	47	47
No change – still mainly paid slowly	20	11	29
Payment has slowed down	19	29	9
Other/Don't know	3	2	5
TOTAL PROMPT PAID	58	58	57
TOTAL SLOW PAID	39	40	38
February 2011	n=115	n=60	n=55
	%	%	%
Payment has speeded up	6	10	0
No change – still mainly paid promptly	53	53	53
No change – still mainly paid slowly	8	1	19
Payment has slowed down	16	18	12
Other/Don't know	17	18	16
TOTAL PROMPT PAID	59	62	53
TOTAL SLOW PAID	22	20	31
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave.			

Table 4h: Whether noticed any change in the speed of payment by Public Sector bodies in the last 6 months ^{xxxix} , by main type of Public Sector client (continued)			
Base = All who dealt with public sector bodies in the last 6 months	All	Local Authorities	Other Public Sector
December 2010	n=128	n=72	n=54
	%	%	%
Payment has speeded up	2	3	*
No change – still mainly paid promptly	44	50	35
No change – still mainly paid slowly	24	17	34
Payment has slowed down	19	14	26
Other/Don't know	12	16	5
TOTAL PROMPT PAID	46	53	35
TOTAL SLOW PAID	43	31	60
February 2010	n=136	n=78	n=55
	%	%	%
Payment has speeded up	10	14	7
No change – still mainly paid promptly	63	49	77
No change – still mainly paid slowly	10	14	6
Payment has slowed down	13	17	9
Other/Don't know	4	6	1
TOTAL PROMPT PAID	73	62	84
TOTAL SLOW PAID	23	31	15
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave. * = a figure which is more than 0%, but less than 0.5%			

4.15 Six per cent of those who have worked for the public sector in the last 6 months said that they are usually paid within 10 working days of the receipt of the invoice. A further nine per cent said that they tend to be paid 11 to 15 days later, seven per cent within 16 to 20 days, 37 per cent between 21 and 30 days, and 38 per cent in longer than 30 days. In this respect there are no significant differences between whether the client is a Local Authority or another public sector body. Those whose clients were public sector bodies other than local authorities were however less likely to say in November 2011 than in August 2011 that these clients had on average taken over 15 days to pay their invoices (with 75 per cent saying over 15 days in November 2011 compared to 91 per cent saying this in August 2011).

Table 4i: Average time taken for main Public Sector client to pay invoice by main type of Public Sector client ^{xl}			
Base = All who dealt with public sector bodies in the last 6 months	All	Local Authorities	Other Public Sector
November 2011	n=135	n=78	n=55
	%	%	%
10 days or less	6	4	8
11 to 15 days	9	7	12
16 to 20 days	7	6	6
21 to 30 days	37	48	22
Longer than 30 days	38	31	47
Don't know/refused	3	3	4
August 2011	n=130	n=64	n=65
	%	%	%
10 days or less	2	3	1
11 to 15 days	2	1	3
16 to 20 days	9	11	7
21 to 30 days	41	42	41
Longer than 30 days	43	41	43
Don't know/refused	3	1	5
February 2011	n=115	n=78	n=55
	%	%	%
10 days or less	4	*	10
11 to 15 days	3	3	3
16 to 20 days	6	6	7
21 to 30 days	42	56	20
Longer than 30 days	37	29	52
Don't know/refused	8	7	9
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave.			

Business confidence

4.16 In November 2011, 87 per cent of SME employers were confident that their businesses would still be trading in 12 months' time, whilst eight per cent were not confident, the latter figure a significant increase on the four per cent who were not confident in August 2011.

Table 4i: Average time taken for main Public Sector client to pay invoice by main type of Public Sector client ^{xii} (continued)			
Base = All who dealt with public sector bodies in the last 6 months	All	Local Authorities	Other Public Sector
December 2010	n=128	n=72	n=54
	%	%	%
10 days or less	8	12	1
11 to 15 days	5	3	7
16 to 20 days	8	4	14
21 to 30 days	31	37	21
Longer than 30 days	41	35	51
Don't know/refused	7	8	5
February 2010	n=136	n=66	n=66
	%	%	%
10 days or less	4	6	3
11 to 15 days	2	3	*
16 to 20 days	9	12	6
21 to 30 days	56	47	63
Longer than 30 days	27	31	25
Don't know/refused	2	1	3
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave.			
* = a figure which is more than 0%, but less than 0.5%			

4.17 In results similar to previous Barometers, three per cent of SME employers anticipated closure in the next 12 months and seven per cent anticipated a transfer of ownership.

4.18 Those in the construction sector were less likely than average to not be confident.

Table 4j: 'In 12 Months Time I am Confident My Business will still be Trading ^{xlii} '											
	Nov 2011	Aug 2011	Feb 2011	Dec 2010	Feb 2010	Dec 2009	Sept 2009	June 2009	Apr 2009	Feb 2009	Dec 2008
Base = All SME Employers	n=500	n=500	n=500	n=500	n=501	n=500	n=501	n=500	n=501	n=503	n=500
	%	%	%	%	%	%	%	%	%	%	%
Agree strongly	72	76	75	80	73	79	75	74	70	73	61
Agree slightly	15	11	15	9	12	9	12	11	13	15	16
Neither agree nor disagree	3	9	4	4	6	4	7	6	6	5	9
Disagree slightly	4	2	3	3	4	2	2	3	3	2	3
Disagree strongly	4	2	3	2	3	3	3	3	4	4	9
Don't know	2	1	1	3	2	2	*	2	2	1	2
TOTAL AGREE	87	86	89	89	85	89	87	85	84	88	76
TOTAL DISAGREE	8	4	6	4	7	5	5	6	8	6	12
NET AGREE - DISAGREE	+79	+83	+83	+85	+78	+84	+82	+79	+76	+82	+64
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers * = a figure which is more than 0%, but less than 0.5%											

Table 4k: 'In 12 months time I am confident my business will still be trading ^{xliii} ' – by sector					
Base = All SME Employers	All	Primary/Manu	Construction	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Nov. 2011 – Confident	87	91	79	85	89
Nov. 2011 – <u>Not</u> Confident	8	1	14	12	5
August 2011	500	100	53	145	202
	%	%	%	%	%
Aug. 2011 – Confident	86	91	87	86	85
Aug. 2011 – <u>Not</u> Confident	4	0	6	3	5
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 4k: 'In 12 months time I am confident my business will still be trading' – by sector (continued)					
Base = All SME Employers	All	Primary/ Manu	Construction	TRAD	Services
February 2011	500	99	45	127	229
	%	%	%	%	%
Feb. 2011 – Confident	89	93	93	86	90
Feb. 2011 – <u>Not</u> Confident	6	4	4	7	8
December 2010	500	142	71	139	148
	%	%	%	%	%
Dec. 2010 – Confident	89	93	84	82	95
Dec. 2010 – <u>Not</u> Confident	4	2	4	8	2
February 2010	501	142	66	148	145
	%	%	%	%	%
Feb. 2010 – Confident	85	82	77	83	90
Feb. 2010 – <u>Not</u> Confident	7	8	11	7	6
December 2009	500	130	69	136	165
	%	%	%	%	%
Dec. 2009 – Confident	89	87	84	92	88
Dec. 2009 – <u>Not</u> Confident	5	7	4	4	5
September 2009	501	132	72	143	154
	%	%	%	%	%
Sept. 2009 – Confident	87	87	77	88	90
Sept. 2009 – <u>Not</u> Confident	5	5	10	7	3
June 2009	500	130	60	148	162
	%	%	%	%	%
June 2009 – Confident	85	81	78	84	90
June 2009 – <u>Not</u> Confident	6	12	7	6	5
April 2009	501	157	62	136	146
	%	%	%	%	%
April 2009 – Confident	84	72	69	86	91
April 2009 – <u>Not</u> Confident	8	13	9	10	3
February 2009	503	111	61	145	186
	%	%	%	%	%
Feb. 2009 – Confident	88	84	92	83	91
Feb. 2009 – <u>Not</u> Confident	6	5	4	9	4
December 2008	500	123	62	137	178
	%	%	%	%	%
Dec. 2008 – Confident	76	77	73	72	81
Dec. 2008 – <u>Not</u> Confident	13	13	19	12	11
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 4I: Whether anticipate closure or full transfer of ownership in next 12 months ^{xlv}											
	Nov 2011	Aug 2011	Feb 2011	Dec 2010	Feb 2010	Dec 2009	Sept 2009	June 2009	Apr. 2009	Feb 2009	Dec 2008
Base = All	n=500	n=500	n=500	n=500	n=501	n=500	n=501	n=500	n=501	n=503	n=500
	%	%	%	%	%	%	%	%	%	%	%
Yes- Closure	3	3	2	3	4	5	3	2	6	3	7
Yes – Transfer of Ownership	7	5	4	6	4	5	2	6	6	4	6
Neither	88	88	91	89	86	86	90	89	82	92	83
Don't know/Refused	2	4	3	2	6	5	4	3	5	1	4
ANY CLOSURE/ TRANSFER	9	8	6	9	8	9	5	7	12	7	13
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers											

4.19 The transport, retail and distribution sector was more likely than average to think the business might close (six per cent compared with three per cent overall). The TRAD sector was also more likely than average to think there could be either a transfer of ownership or the business might close (14 per cent compared with an overall figure of nine per cent).

Innovation

4.20 Thirty two per cent of SME employers in November 2011 claimed to have introduced new or significantly improved processes in the previous 12 months, a proportion in line with previous Barometers.

4.21 As with previous Barometers, the service sector was more likely to have introduced new or significantly improved processes average (at 46 per cent, compared to 32 per cent overall).

4.22 Forty seven per cent of SME employers reported having introduced new or significantly new products or services. This is an insignificant decrease since August 2011 and broadly in line with previous Barometers.

Table 4m: Whether introduced new or significantly improved processes/products and services in the last 12 months– trends by sector ^{xlvi}					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011.n=	500	82	48	139	231
	%	%	%	%	%
November 2011 – New or Significantly Improved Processes	32	25	25	21	46
November 2011 – New or Significantly Improved Products and Services	47	45	39	46	50
August 2011.n=	500	100	53	145	202
	%	%	%	%	%
August 2011 – New or Significantly Improved Processes	34	35	29	29	40
August 2011 – New or Significantly Improved Products and Services	52	51	44	52	56
February 2011.n=	500	99	45	127	229
	%	%	%	%	%
February 2011 – New or Significantly Improved Processes	35	42	34	21	43
February 2011 – New or Significantly Improved Products and Services	40	52	45	32	41
Small Business Survey 2010.n=	1904	292	148	583	881
	%	%	%	%	%
SBS 2010 – New or Significantly Improved Processes	33	32	29	26	40
SBS 2010 – New or Significantly Improved Products and Services	47	44	51	46	47
December 2009.n=	500	130	69	136	165
	%	%	%	%	%
December 2009 – New or Significantly Improved Processes	34	32	12	34	41
December 2009 – New or Significantly Improved Products and Services	39	28	20	38	46
April 2009. n=	501	157	62	136	146
	%	%	%	%	%
April 2009 – New or Significantly Improved Processes	33	39	24	29	36
April 2009 – New or Significantly Improved Products and Services	44	50	36	44	44
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Table 4m: Whether introduced new or significantly improved processes/products and services in the last 12 months- trends by sector ^{xlvii} (continued)					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
December 2008. n=	500	123	62	137	178
	%	%	%	%	%
December 08 – New or Significantly Improved Processes	38	52	25	31	40
December 08 – New or Significantly Improved Products and Services	44	53	22	50	42
ASBS 07/08. n=	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08 - New or Significantly Improved Processes	33	39	25	27	38
ASBS 07/08 - New or Significantly Improved Products and Services	46	48	32	46	50
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Training

4.23 In November 2011, 67 per cent of SME employers reported having funded or arranged any training or development for staff in the previous 12 months (including any informal on the job training). This is not significantly different to August 2011 but the proportion of SME employers in the primary/manufacturing sector funding or arranging training has decreased significantly since August whilst the proportion of TRAD SME employers funding or arranging training has increased significantly.

4.24 Having said this, as with previous Barometers, those in the TRAD sector were less likely to offer training (60 per cent compared with 67 per cent overall). Those in the services sector were more likely (at 75 per cent).

Table 4n: Whether business has funded or arranged any training and development for staff in the organisation, including any informal on the job training, in the last 12 months ^{xlviii}					
Base = all SME employers	All	Primary/ Manu	Construction	TRAD	Services
November 2011. n=	500	82	48	139	231
	%	%	%	%	%
November 2011	67	58	67	60	75
August 2011. n=	500	100	53	145	202
	%	%	%	%	%
August 2011	64	72	79	46	72
February 2011. n=	500	99	45	127	229
	%	%	%	%	%
February 2011	59	53	75	48	66
December 2010. n=	500	142	71	139	148
	%	%	%	%	%
December 2010	68	57	78	57	78
SBS 2010 (July-September). n=	1937	295	161	588	893
	%	%	%	%	%
SBS 2010	61	58	68	49	68
December 2009. n=	500	130	69	136	165
	%	%	%	%	%
December 2009	62	68	39	60	67
April 2009. n=	501	157	62	136	146
	%	%	%	%	%
April 2009	61	56	59	48	73
December 2008. n=	500	123	62	137	178
	%	%	%	%	%
December 2008	60	59	71	51	66
ASBS 07/08. n=	7783	1498	742	2989	2554
	%	%	%	%	%
ASBS 07/08	58	56	66	50	66
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

4.25 Larger businesses were more likely than smaller ones to offer training, with almost all (97 per cent) of medium SME employers offering training (compared to 86 per cent of small SME employers and 63 per cent of micros).

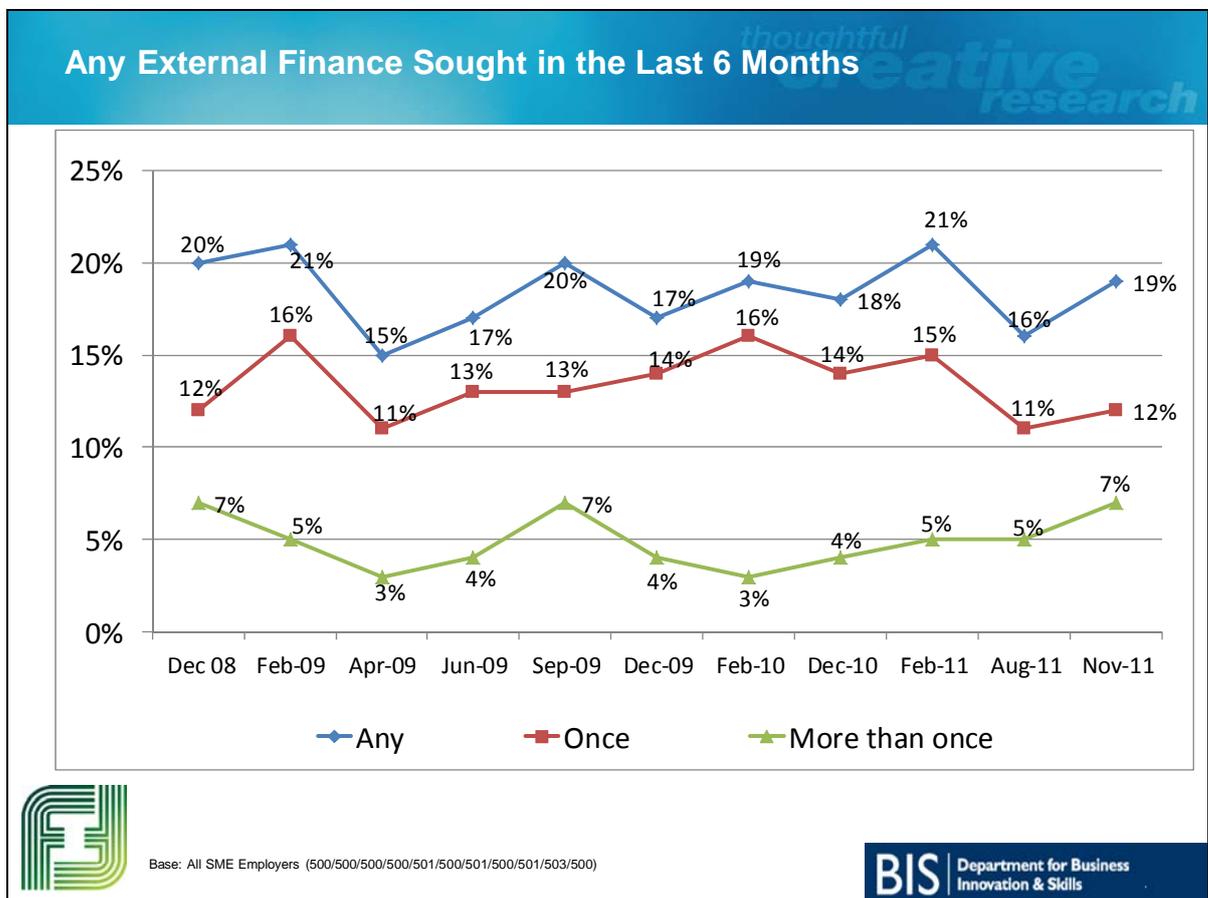
- 4.26 Forty eight per cent of those offering training had used some of it to develop management skills. Again, those offering training in the transport, retail and distribution sector were less likely than average to have offered management training (39 per cent). Also, once again, larger SME employers were more likely to offer management training (with 66 per cent of medium SME employers offering this type of training compared to 57 per cent of small SME employers and 46 per cent of micros).
- 4.27 In terms of training plans for the next 12 months, among those who offered it in November 2011, eight per cent of SME employers expected to reduce their investment in training, 66 per cent expected to maintain their level of investment and 26 per cent expected to increase their investment levels. Those in the TRAD sector were more likely than average to expect to reduce their investment in training over the next 12 months (12 per cent compared to eight per cent overall).

5 Access to finance

Applications for finance

- 5.1 Nineteen per cent of SME employers sought external finance in the 6 months prior to the November 2011 Barometer, an insignificant increase since the August 2011 Barometer (when 16 per cent had sought finance in the last 6 months).
- 5.2 The construction sector was least likely to have sought finance in the last 6 months (six per cent compared to 19 per cent overall).

Chart 5a: External finance sought in the last 6 months^{xlix}



Reasons for seeking finance

- 5.3 The most frequent reason for seeking finance was for working capital or cashflow (42 per cent of those seeking finance did so for this reason). Twenty per cent of those seeking finance did so in order to acquire equipment or vehicles (a significant decrease since August 2011). Ten per cent of those seeking finance did so to buy land or buildings (a proportion similar to previous Barometers).

Table 5a: Main reasons for seeking finance ¹											
	Nov. 2011	Aug. 2011	Feb 2011	Dec 2010	Feb 2010	Dec 2009	Sept 2009	June 2009	Apr. 2009	Feb 2009	Dec 2008
Base = All who tried to obtain finance in the last 6 months	n=99	n=113	n=128	n=108	n=121	n=105	n=121	n=109	n=109	n=144	n=98
	%	%	%	%	%	%	%	%	%	%	%
Working capital, cashflow	42	38	28	38	59	36	49	46	52	41	45
Acquiring equipment/ vehicles	20	38	34	28	28	31	18	16	25	26	25
Buying land/ buildings	10	10	12	9	6	7	7	6	11	9	10
Refinancing the business	6	7	5	1	2	3	*	8	2	11	0
Research & development	5	0	6	10	3	4	1	2	1	4	2
Improving buildings	4	8	10	8	4	13	8	11	4	2	2
Buying another business	0	0	3	0	*	3	*	*	2	4	*
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers * = a figure which is more than 0%, but less than 0.5%											

- 5.4 SME employers in the services sector seeking finance were more likely than average to do so in order to gain working capital or cashflow (54 per cent compared with 42 per cent overall).
- 5.5 Those seeking finance in the primary/manufacturing sector were less likely than average to do so in order to gain working capital or cashflow (13 per cent). However this group of SME employers were more likely than average to seek finance in order to acquire capital equipment or vehicles (40 per cent compared to 20 per cent overall) or to buy land or buildings (24 per cent compared with 10 per cent overall).

Types of finance sought

- 5.6 As with previous Barometers, a bank loan was the most frequently sought type of finance (by 41 per cent of those seeking finance), followed by a bank overdraft (by 22 per cent), leasing or hire purchase (17 per cent) and a grant (11 per cent).

5.7

Table 5b: Types of finance sought ⁱⁱ – trends											
	Nov. 2011	Aug. 2011	Feb. 2011	Dec. 2010	Feb. 2010	Dec. 2009	Sept 2009	June 2009	Apr. 2011	Feb. 2009	Dec. 2008
Base = All who tried to obtain finance in the last 6 months	n=99	n=113	n=128	n=108	n=121	n=105	n=121	n=109	n=109	n=144	n=98
	%	%	%	%	%	%	%	%	%	%	%
Bank Loan	41	35	36	39	46	31	43	40	40	38	22
Bank Overdraft	22	23	25	18	33	24	34	27	19	35	32
Leasing or Hire Purchase	17	17	12	18	10	28	14	11	18	16	12
Grant	11	11	9	12	2	2	2	10	1	4	5
Equity Investment	7	*	1	3	*	1	*	1	8	2	2
Mortgage for Property Purchase or Improvement	5	9	5	8	11	3	3	12	2	7	11
Loans from Family/Friends etc.	4	*	6	0	6	0	2	2	*	1	6
Factoring	*	1	3	1	4	*	1	1	4	1	1
Loan from a CDFI	0	0	4	1	0	0	0	0	0	0	1
Government Guaranteed Loan/VAT Fund	0	0	1	1	*	1	0	3	6	N/A	N/A
Credit Card Finance	0	0	0	0	2	0	0	2	*	2	3
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers * = a figure which is more than 0%, but less than 0.5%											

5.8 SME employers in the construction sector were more likely than average to seek a bank overdraft (71 per cent compared to 22 per cent overall) and those in the primary/manufacturing sector were more likely than average to seek a leasing or hire purchase agreement (58 per cent compared with to 17 per cent overall).

Table 5c: Types of finance sought ⁱⁱⁱ – by sector					
Base = all who have tried to obtain finance in the last 6 months	All	Primary/ Manu	Construction	TRAD	Services
November 2011. n=	99	15	6	24	54
	%	%	%	%	%
Bank Loan	41	24	21	48	43
Bank Overdraft	22	16	71	23	18
Leasing or Hire Purchase	17	58	0	18	3
August 2011. n=	113	28	11	36	38
	%	%	%	%	%
Bank Loan	35	62	33	41	11
Bank Overdraft	23	16	27	23	27
Leasing or Hire Purchase	17	20	7	26	8
February 2011. n=	128	24	9	39	56
	%	%	%	%	%
Bank Loan	36	27	32	35	40
Bank Overdraft	25	14	60	28	16
Leasing or Hire Purchase	12	24	7	16	6
December 2010. n=	108	24	12	37	35
	%	%	%	%	%
Bank Loan	39	48	42	53	24
Bank Overdraft	18	23	28	7	24
Leasing or Hire Purchase	18	11	29	24	11
February 2010. n=	121	33	10	43	35
	%	%	%	%	%
Bank Loan	46	4	87	38	59
Bank Overdraft	33	44	2	36	31
Leasing or Hire Purchase	10	34	10	7	7
December 2009. n=	105	29	14	32	30
	%	%	%	%	%
Bank Loan	31	53	26	28	28
Bank Overdraft	24	4	18	34	22
Leasing or Hire Purchase	28	30	38	20	32
September 2009. n=	121	39	14	36	32
	%	%	%	%	%
Bank Loan	43	37	19	50	44
Bank Overdraft	34	21	27	46	26
Leasing or Hire Purchase	14	31	26	8	10

Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research

Table 5c: Types of finance sought^{liii} – by sector (continued)					
Base = all who have tried to obtain finance in the last 6 months	All	Primary/Manu	Construction	TRAD	Services
June 2009. n=	109	34	9	33	33
	%	%	%	%	%
Bank Loan	40	27	64	40	39
Bank Overdraft	27	36	62	30	14
Leasing or Hire Purchase	11	9	2	18	8
April 2009. n=	109	32	11	27	39
	%	%	%	%	%
Bank Loan	40	41	10	58	33
Bank Overdraft	19	26	19	15	19
Leasing or Hire Purchase	18	16	35	27	10
February 2009. n=	144	42	11	38	53
	%	%	%	%	%
Bank Loan	38	39	38	38	36
Bank Overdraft	35	56	26	43	22
Leasing or Hire Purchase	16	6	17	9	25
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

Confidence in seeking finance

- 5.9 Twenty eight per cent of SME employers seeking finance in November 2011 were very confident of success before they applied, a further 40 per cent were fairly confident, 17 per cent not very confident and 14 per cent not at all confident.
- 5.10 Those in the primary/manufacturing sector seeking finance were more likely than average to be very confident of being successful in gaining it (59 per cent compared to 28 per cent overall).

Table 5d: Confidence of success when applying for finance ^{liv} – by sector					
Base = all who have tried to obtain finance in the last 6 months	All	Primary/ Manu	Construction	TRAD	Services
November 2011. n=	99	15	6	24	54
	%	%	%	%	%
Very confident	28	59	11	23	22
Fairly confident	40	38	87	36	39
Not very confident	17	3	3	18	22
Not at all confident	14	0	0	23	12
August 2011. n=	113	28	11	36	38
	%	%	%	%	%
Very confident	39	43	38	47	29
Fairly confident	40	45	7	27	61
Not very confident	13	5	55	9	11
Not at all confident	8	7	0	18	0
February 2011. n=	128	24	9	39	56
	%	%	%	%	%
Very confident	40	49	40	31	49
Fairly confident	40	42	40	45	32
Not very confident	9	7	20	4	13
Not at all confident	8	3	0	12	6
December 2010. n=	108	24	12	37	35
	%	%	%	%	%
Very confident	37	26	42	40	35
Fairly confident	28	36	57	12	32
Not very confident	22	12	2	20	31
Not at all confident	13	27	0	28	1
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

- 5.11 Seventy five per cent of those seeking finance took some steps before putting in an application to try and ensure they would be successful in obtaining it. The most frequently taken action by SME employers was updating their business plan (done by 61 per cent of those seeking finance). Forty one per cent of SME employers took advice from a bank prior to applying for finance and 34 per cent had their plan looked over by a professional advisor.
- 5.12 In terms of this last action, those in the service sector were more likely than average to have their plan looked over by a professional adviser (53 per cent compared to 34 per cent overall) whereas those in the construction or transport, retail and distribution sectors were less likely than average (five per cent and 19 per cent respectively).

Table 5e: Whether any of the following steps taken to try and ensure success in obtaining finance ^{lv} – trends by sector					
Base = all who have tried to obtain finance in the last 6 months	All	Primary/Manu	Construct-ion	TRAD	Services
November 2011. n=	99	15	6	24	54
	%	%	%	%	%
Up to date business plan	61	42	84	61	65
Received advice from bank	41	29	76	49	35
Business plan looked over by a professional adviser	34	25	5	19	53
Spoke to other businesses to get their advice	23	3	0	30	27
Read business websites	22	*	71	20	27
Took a course in business finance	6	0	0	7	8
None of these	25	56	16	22	16
August 2011. n=	113	28	11	36	38
	%	%	%	%	%
Up to date business plan	66	56	89	54	80
Received advice from bank	48	46	86	52	33
Spoke to other businesses to get their advice	30	22	53	26	34
Read business websites	28	17	49	30	26
Business plan looked over by a professional adviser	25	43	10	9	36
Took a course in business finance	3	11	0	2	1
None of these	19	41	7	22	6
February 2011. n=	128	24	9	39	56
	%	%	%	%	%
Received advice from bank	49	50	73	46	48
Up to date business plan	44	55	40	37	51
Business plan looked over by a professional adviser	26	36	33	21	30
Read business websites	20	24	17	20	19
Spoke to other businesses to get their advice	17	22	6	16	20
Took a course in business finance	6	0	6	6	7
None of these	33	34	20	42	22
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research * = a figure which is more than 0%, but less than 0.5%					

Table 5e: Whether any of the following steps taken to try and ensure success in obtaining finance ^{lvi} – trends by sector (continued)					
Base = all who have tried to obtain finance in the last 6 months	All	Primary/ Manu	Construct- ion	TRAD	Services
December 2010. n=	108	24	12	37	35
	%	%	%	%	%
Up to date business plan	66	57	30	57	84
Received advice from bank	51	53	32	43	62
Read business websites	38	11	52	40	39
Business plan looked over by a professional adviser	37	39	3	23	56
Spoke to other businesses to get their advice	36	9	27	21	57
Took a course in business finance	4	0	0	5	5
None of these	10	22	39	11	*
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research * = a figure which is more than 0%, but less than 0.5%					

Difficulties in obtaining finance

5.13 Forty five per cent of those who sought finance in the November 2011 Barometer were unable to get any finance at all from the first source they approached. A further 14 per cent obtained some, but not all, of the finance they required, and five per cent only obtained finance after some problems. Overall, 64 per cent reported having any difficulties at all, which is a significant increase compared to August 2011 when 48 per cent reported having any difficulty.

Table 5f: Whether any difficulty obtaining finance from the first source approached ^{lvii} - trends											
	Nov. 2011	Aug. 2011	Feb 2011	Dec 2010	Feb. 2010	Dec. 2009	Sept. 2009	June 2009	Apr. 2011	Feb. 2009	Dec. 2008
Base = All who tried to obtain finance in the last 6 months	n=99	n=113	n=128	n=108	n=121	n=105	n=121	n=109	n=109	n=144	n=98
	%	%	%	%	%	%	%	%	%	%	%
Yes – unable to obtain any finance	45	37	27	52	30	20	42	33	41	35	33
Yes – obtained some, but not all of the finance	14	5	2	5	6	4	2	5	2	5	7
Yes – obtained all of the finance required but with some problem	5	6	13	2	2	12	13	5	8	4	11
No – had no difficulty obtaining finance	31	49	55	37	53	52	40	51	42	51	46
Don't know	5	3	3	5	8	12	3	5	8	5	2
ANY DIFFICULTIES	64	48	42	60	38	35	57	44	50	44	52
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers											

- 5.14 Those in the primary/manufacturing were the least likely to have any difficulties (37 per cent) and larger businesses were least likely to encounter difficulties (25 per cent of medium SME employers encountered any difficulties, compared to 44 per cent of small SME employers and 67 per cent of micros).
- 5.15 Of those that were unable to obtain finance from the first source, 71 per cent had their application rejected and 19 per cent rejected the terms they were offered.
- 5.16 Reasons businesses reported for being rejected for finance included business sectors being considered too risky, the inability to offer enough security, and poor personal credit history and the recession generally. The base sizes for this question were too small to go into further detail.
- 5.17 Twenty three per cent of those who did not obtain the finance they needed went on to obtain it from another source and 76 per cent did not ultimately obtain the finance needed.

Reasons for not applying for finance

- 5.18 Eighty two per cent of those that did not apply for finance in the six months before the August 2011 Barometer said this was because they did not need it.
- 5.19 In terms of reasons given other than a lack of need, 34 per cent of those who did not apply for finance said this was because they did not want to take on additional risk, 15 per cent said this was because they thought it would have been too expensive and 12 per cent did not apply because they thought they would have been rejected.

Existing bank lending - overdrafts

- 5.20 In the November 2011 Barometer, 45 per cent of SME employers reported having an overdraft facility at some point in the previous 6 months, a very similar result to previous Barometers. Overdraft facilities were more likely to be held in primary/manufacturing sector (59 per cent) and least likely to be held in the services sector (36 per cent). Those with overdraft facilities experienced the following changes in the 6 months prior to the November 2011 Barometer.

Table 5g: Reasons for not having applied for finance in the last 6 months ^{lviii 2} - trends by sector					
Base = all who have not applied for finance in the last 6 months	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	401	67	42	115	177
	%	%	%	%	%
Did not need it	82	69	83	81	86
Didn't want to take on additional risk	34	36	33	32	36
Thought it would be too expensive	15	19	11	18	13
Thought they would be rejected	12	13	20	11	9
August 2011	387	72	42	109	164
	%	%	%	%	%
Did not need it	74	75	70	73	76
Didn't want to take on additional risk	31	34	26	37	26
Thought it would be too expensive	14	15	20	13	12
Thought they would be rejected	10	8	24	8	7
February 2011	372	75	36	88	173
	%	%	%	%	%
Did not need it	80	79	80	80	80
Didn't want to take on additional risk	6	9	8	4	7
Thought they would be rejected	5	5	5	7	3
Thought it would be too expensive	2	5	3	2	1
December 2010	392	118	59	102	113
	%	%	%	%	%
Did not need it	88	89	91	88	87
Thought it would be too expensive	5	2	2	3	9
Didn't want to take on additional risk	4	7	0	5	2
Thought they would be rejected	3	2	7	4	2
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research.					

² From August 2011 this was asked as a prompted question, whereas previously the question had been unprompted. This explains the changes in the data between results from August 2011 onwards and earlier Barometers. It is possible to give multiple answers as this question

Table 5g: Reasons for not having applied for finance in the last 6 months ^{lix} - trends by sector (continued)					
Base = all who have not applied for finance in the last 6 months	All	Primary/ Manu	Construct- ion	TRAD	Services
February 2010	380	109	56	105	110
	%	%	%	%	%
Did not need it	82	82	88	82	80
Didn't want to take on additional risk	8	8	5	10	8
Thought they would be rejected	4	4	2	3	4
Thought it would be too expensive	2	2	1	1	4
December 2009	395	101	55	104	135
	%	%	%	%	%
Did not need it	83	88	75	83	85
Thought they would be rejected	6	4	5	11	4
Thought it would be too expensive	4	*	6	6	6
Didn't want to take on additional risk	3	3	3	2	3
December 2008	365	90	43	102	130
	%	%	%	%	%
Did not need it	81	88	92	69	86
Didn't want to take on additional risk	8	6	7	14	4
Thought it would be too expensive	4	5	1	4	4
Thought they would be rejected	2	3	0	3	2
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research. * = a figure larger than zero but less than 0.5%					

Table 5h: Changes to terms and conditions on overdrafts in the last 6 months ^{ix}											
	Nov. 2011	Aug. 2011	Feb. 2011	Dec. 2010	Feb. 2010	Dec. 2009	Sept. 2009	June 2009	Apr. 2011	Feb. 2009	Dec. 2008
Base = All who have had an overdraft facility in the last 6 months	n=232	n=249	n=251	n=269	n=271	n=298	n=282	n=300	n=300	n=326	n=310
	%	%	%	%	%	%	%	%	%	%	%
Bank put up overdraft fees or interest rates	26	25	23	22	28	23	36	27	30	23	30
Bank reduced overdraft limit	10	9	6	8	8	13	10	9	10	10	8
Bank required more security	9	14	12	11	8	13	19	N/A	N/A	N/A	N/A
Bank cancelled existing overdraft facility	3	2	1	4	2	3	3	4	4	5	1
Bank extended overdraft limit	11	14	14	17	15	15	18	14	21	17	20
Bank relaxed security requirements	3	4	1	5	2	*	3	N/A	N/A	N/A	N/A
Bank reduced overdraft fees or interest rates	2	2	6	4	3	7	10	12	12	14	9
No change	54	53	51	60	47	48	37	46	44	47	52
Don't know	3	1	7	1	5	3	5	5	4	6	2
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers											

- 5.21 In terms of negative experiences reported, in results similar to previous Barometers, 26 percent of SME employers with an overdraft facility said their bank had put up overdraft fees or interest rates in the previous 6 months, 10 per cent said the bank had reduced their overdraft limit, nine per cent said the bank had asked for more security and three per cent said the bank had cancelled their existing overdraft facility.
- 5.22 Those in the construction industry were more likely than average to say their bank had reduced their overdraft limit (21 per cent compared to 10 per cent on average).
- 5.23 In terms of positive experiences reported, 11 per cent of SME employers with an overdraft facility said their bank had extended their overdraft limit, three per cent said their bank had relaxed security requirements and two per cent said their bank had reduced overdraft fees or interest rates.
- 5.24 Those in the TRAD sector were more likely than average to say their bank had relaxed its security arrangements for overdraft (six per cent compared to three per cent overall).

Existing bank lending - loans

- 5.25 Twenty per cent of SME employers in November 2011 had had a bank loan at any point in the previous 6 months.
- 5.26 Table 5i shows whether there were any changes to terms and conditions on bank loans in the six months preceding the November 2011 Barometer:

Table 5i: Changes to terms and conditions on bank loans in the last 6 months ^{lxi}											
	Nov. 2011	Aug. 2011	Feb. 2011	Dec. 2010	Feb. 2010	Dec. 2009	Sept. 2009	June 2009	Apr. 2009	Feb. 2009	Dec. 2008
Base = All who have had bank loans in the last 6 months	n=106	n=119	n=101	n=116	n=118	n=110	n=109	n=114	n=121	n=129	n=129
	%	%	%	%	%	%	%	%	%	%	%
Bank renegotiated terms of existing loan less favourably for borrower	19	8	14	2	4	14	7	11	10	4	4
Interest rates increased on variable loan	18	11	8	4	13	4	3	17	11	12	12
Bank asked for more security	13	10	12	1	6	16	8	4	12	7	7
Bank cancelled existing loan	3	2	5	0	*	2	1	0	*	*	*
Bank renegotiated terms of existing loan more favourably for borrower	4	4	1	2	2	5	9	1	8	5	5
Interest rates decreased on variable loan	2	5	8	3	15	15	38	39	38	20	20
Any other changes	*	*	0	0	2	3	2	4	4	6	6
No changes	71	74	50	90	65	54	49	42	41	53	53
Don't know	*	2	8	1	6	9	2	7	4	4	4
Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers * = a figure larger than zero but less than 0.5%											

- 5.27 Those in the primary/manufacturing sector were more likely than average not to have experienced any changes (92 per cent compared to 71 per cent overall).
- 5.28 In terms of negative experiences reported, 19 per cent of those with an outstanding business bank load said within the past 6 months their bank had renegotiated the terms of their loan less favourably for them, 18 per cent said interest rates has increased on a variable loan, 13 per cent said the bank had asked for more security and three per cent said the bank had cancelled their existing loan.
- 5.29 SME employers in the transport, retail and distribution sector were more likely than average to report that interest rates increased on their variable rate loan.

5.30 In terms of positive experiences reported, four per cent of SME employers with a business bank loan said the loan terms had been renegotiated more favourably for them and two per cent said the interest rates had decreased on their variable loan.

Relationship with bank

5.31 Fifty nine per cent of SME employers in November 2011 reported they have a good relationship with their bank. The proportion reporting they have a *very* good relationship with their bank has decreased significantly since August 2011 (from 35 per cent to 27 per cent).

5.32 Those in the TRAD sector were more likely than average to report having a poor relationship with their bank (22 per cent compared with 17 per cent overall).

Table 5j: Relationship with bank ^{lxii}												
	Nov. 2011	Aug. 2011	Feb. 2011	Dec. 2010	SBS 2010	Feb. 2010	Dec. 2009	Sept. 2009	June 2009	Apr. 2009	Feb. 2009	Dec. 2008
Base = All SME employees	n=500	n=500	n=500	n=500	n=3817	n=501	n=500	n=501	n=500	n=501	n=503	n=500
	%	%	%	%	%	%	%	%	%	%	%	%
Very good	27	35	35	32	36	29	30	31	30	33	37	37
Fairly good	32	29	30	31	28	35	31	31	32	38	30	34
Neither good nor poor	23	22	19	23	21	23	21	19	19	17	17	19
Fairly poor	11	6	8	8	9	9	9	11	10	5	10	5
Very poor	6	6	7	6	5	4	7	7	6	6	5	4
TOTAL GOOD	59	64	65	63	64	64	61	61	62	71	67	70
TOTAL POOR	17	13	15	14	14	13	16	18	17	12	15	9

Figures in bold are statistically significant changes at the 95% confidence level between the November 2011 and August 2011 Barometers

Credit cards

5.33 Fifty six per cent of SME employers had used credit cards for business purposes in the last 6 months in the November 2011 Barometer, a very similar proportion to that seen in previous Barometers. Seven per cent had credit cards which they used for borrowing. There are no significant changes in these proportions on previous Barometers.

5.34 Credit cards were most common in the construction sector (69 per cent), and least common in the service sector (50 per cent). Those in TRAD were the most likely to carry over balances on credit cards (12 per cent).

Table 5k: Whether use a credit card for business purposes in last 6 months ^{lxiii} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct-ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Have a business credit card, have carried over balance	7	2	5	12	4
Have a business credit card, have NOT carried over balance	49	57	64	45	45
Do not have business credit card	43	41	30	42	48
August 2011	500	100	53	145	202
	%	%	%	%	%
Have a business credit card, have carried over balance	7	9	*	11	4
Have a business credit card, have NOT carried over balance	43	54	48	44	38
Do not have business credit card	49	37	52	44	57
February 2011	500	99	45	127	229
	%	%	%	%	%
Have a business credit card, have carried over balance	10	9	7	17	7
Have a business credit card, have NOT carried over balance	41	48	39	44	37
Do not have business credit card	45	42	55	36	52
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					
* = a figure larger than zero but less than 0.5%					

Table 5k: Whether use a credit card for business purposes in last 6 months ^{lxiv} – trends by sector					
Base = all SME employers	All	Primary/ Manu	Construct-ion	TRAD	Services
December 2010	500	142	71	139	148
	%	%	%	%	%
Have a business credit card, have carried over balance	4	6	1	2	6
Have a business credit card, have NOT carried over balance	48	49	50	43	50
Do not have business credit card	47	44	46	53	43
April 2009	503	111	61	145	186
	%	%	%	%	%
Have a business credit card, have carried over balance	8	8	9	6	9
Have a business credit card, have NOT carried over balance	48	45	60	32	58
Do not have business credit card	43	47	31	59	31
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					
* = a figure larger than zero but less than 0.5%					

6 Business support

External advice

6.1 Forty per cent of SME employers had sought external advice or information on matters affecting business in the November 2011 Barometer. This was most likely to be the case for the service sector (46 per cent), who were also more (though not significantly so) to seek this advice from the public sector (19 per cent sought any public sector advice, compared to 15 per cent overall).

Table 6a: Whether sought external advice or information on matters affecting business ^{kv} – by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
YES – ANY	40	40	27	36	46
- any public sector	3	4	0	1	5
- any private sector	24	29	23	22	25
- from both	12	6	5	13	14
NO - NONE	60	60	73	63	53
August 2011	500	100	53	145	202
	%	%	%	%	%
YES – ANY	42	35	42	37	48
- any public sector	3	*	0	3	6
- any private sector	26	17	39	24	25
- from both	13	17	2	10	17
NO - NONE	58	65	58	63	52
SBS 2010	3817	591	315	1157	1754
	%	%	%	%	%
YES – ANY ³	49	50	52	39	55

Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research

6.2 The overall proportion seeking any advice in November 2011 was in line with the proportion seeking advice in August 2011 but significantly lower than that seen in SBS 2010.

6.3 Fifty-seven per cent of medium sized businesses in November 2011 sought advice, compared to 45 per cent of small businesses and 38 per cent of micro businesses.

³ SBS 2010 did not ask whether advice was received from the public or private sector. The December 2010 Barometer asked about external advice, but the question wording was different, so an exact comparison with this wave of research is not possible

- 6.4 Thirty eight per cent of SME employers who had sought advice in November 2011 had sought financial advice (a significant decrease since August 2011, when the proportion seeking financial advice was 51 per cent). In results similar to August 2011 18 per cent of those seeking advice in November 2011 did so about business planning/strategy, 13 per cent sought advice about marketing or advertising and 11 per cent about business growth.

Table 6b: Types of advice sought in the last year ^{lxvi}			
	Nov. 2011	Aug. 2011	SBS (Summer 2010)
Base = all SME employers that sought advice in the last year	n=228	n=259	n=2129
	%	%	%
Financial advice	38	51	27
Business plan/strategy	18	18	4
Marketing/advertising	13	13	4
Business growth	11	11	19
Tax/national insurance law and payments	8	12	16
Legal advice	7	13	2
Employment law/redundancies	7	9	14
Regulations	6	6	9
Training/skills needs	5	7	6
Health and safety	2	5	6
Pensions	2	2	1
Government grants	1	2	2
Figures in bold are statistically significant changes at the 95% confidence level between November 2011 and SBS 2010 / August 2011			

- 6.5 Those that sought advice in primary/manufacturing were the most likely to seek financial advice (54 per cent compared with 38 per cent overall). Service sector SME employers were more likely than average to seek advice about business planning/strategy (28 per cent), business growth (18 per cent) and tax/national insurance law and payments (13 per cent)
- 6.6 Seventy nine per cent of those who sought advice in the last 12 months were satisfied with the information they found (with 33 per cent being 'very satisfied' and 46 per cent being 'fairly satisfied').
- 6.7 Medium sized employers were more likely than average to be satisfied (93 per cent).
- 6.8 Just six per cent of all SME employers in November 2011 felt that they had had difficulties or important information or advice needs that they had not obtained external advice or support for in the previous 12 months. This proportion did not vary significantly by sector or size.

Table 6c: Whether had difficulties or important information or advice needs that did not get external advice or support for in the last 12 months ^{lxvii} – by sector					
Base = all SME employers	All	Primary/ Manu	Construct-ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Yes	6	4	6	8	5
No	94	96	94	92	95
August 2011	500	100	53	145	202
	%	%	%	%	%
Yes	7	8	9	4	8
No	93	92	91	96	92
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

6.9 The reasons for not having sought advice⁴ were that the advice was considered to be too expensive (53 per cent), not knowing where to find the advice (50 per cent), they did not feel that the right type of advice existed (47 per cent), they had doubts about the benefit or value of obtaining advice (41 per cent), there were concerns over whether the advice could be trusted (35 per cent), lack of time to use external advice (35 per cent) and they felt they had sufficient expertise and resource within their businesses (33 per cent).

Awareness and usage of the businesslink.gov.uk website in the last 12 months

6.10 In total, 79 per cent of SME employers in the November 2011 Barometer were aware of the businesslink.gov.uk website. The service sector was more likely than average to be aware of the website (84 per cent) as were medium sized employers (88 per cent).

6.11 In terms of usage over the past 12 months, this 79 per cent aware of the website splits out into 53 per cent of SME employers being aware of the businesslink.gov.uk website, but not having used it in the last 12 months and 26 per cent having used it in this period.

Table 6d: Aware of businesslink.gov.uk website / have used in last 12 months ^{lxviii} – by sector					
Base = all SME employers	All	Primary/ Manu	Construct-ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
AWARE – but have not used in last 12 months	53	63	59	47	54
AWARE - and have used in last 12 months	26	16	16	28	31
- Used since start of November 2011	5	3	6	3	8
- Used in last 12 months but not since the start of November 2011	20	13	11	24	21
TOTAL AWARE	79	79	75	75	84
NOT AWARE	21	21	25	25	16
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

⁴ The base size for this question was only 28, and as such findings should be treated as indicative only.

- 6.12 Again those in the service sector were more likely to have used the businesslink.gov.uk website in the last 12 months (at 31 per cent), whereas those in the primary/manufacturing and construction sectors were less likely to have used it (at 16 per cent).
- 6.13 Five per cent of SME employers in November 2011 had used the businesslink.gov.uk website since the start of November 2011, when the website content has been substantially altered.
- 6.14 Of these businesses⁵, 24 per cent had noticed a change in content and 76 per cent had not noticed a change in content.

Awareness and usage of types of business support

- 6.15 SME employers were asked whether they were aware of and if so if they had ever used a number of different types of support available to small businesses.
- 6.16 The support most SME employers were aware of was the government guaranteed loan (28 per cent). In terms of aware awareness of the other types of support:
- Twenty three per cent of SME employers were aware of information on the businesslink.gov.uk website about finance and options available;
 - Eighteen per cent were aware of the recently added 'My New Business' section of the businesslink.gov.uk website;
 - Fifteen per cent were aware of the new helpline to provide support to users of the businesslink.gov.uk website;
 - Thirteen per cent were aware of the national mentoring website 'mentor SME';
 - Nine per cent were aware of the growth and improvement services on the businesslink.gov.uk website; and
 - Eight per cent were aware of UKTI's support for SME exporters.
- 6.17 For all of the types of support mentioned above (bar the growth and improvement services and UKTI's support for SME exporters) the trend was for the service sector to be more likely than average to be aware of that service.
- 6.18 There was no difference in awareness by size of business, except that medium-sized SME employers were more likely than average to be aware of UKTI's support for SME exporters (21 per cent of medium businesses were aware compared with 15 per cent of small SME employers and seven per cent of micros).
- 6.19 In terms of usage (also displayed in table 6e below - as a proportion of the total sample interviewed), the most used types of support were the finance information on the businesslink.gov.uk website and UKTI's support in relation to SME exporters (both used by three per cent of SME employers interviewed in the November 2011 Barometer).

⁵ The total number of businesses asked this question was 36 – results, therefore, should be treated as indicative only.

Table 6e: Types of support or advice aware of / used ^{lxix} - by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Government guaranteed loan					
- Aware of	28	30	18	24	34
- Ever used	2	3	1	1	2
Information on Businesslink.gov.uk website about finance and options available					
- Aware of	23	15	7	25	29
- Ever used	3	5	6	3	3
New comprehensive start-up service 'My New Business' on the Businesslink.gov.uk website					
- Aware of	18	7	6	18	25
- Ever used	1	-	5	*	*
Business Link telephone helpline					
- Aware of	15	9	2	15	21
- Ever used	2	5	-	*	3
National mentoring website 'mentor SME'					
- Aware of	13	11	1	12	18
- Ever used	1	-	-	-	3
New growth and improvement services offered on businesslink.gov.uk					
- Aware of	9	1	6	10	12
- Ever used	1	-	1	-	1
UKTI support for SME exporters					
- Aware of	8	7	1	12	8
- Ever used	3	2	1	4	3
None of the above	47	49	72	46	39
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research * = a figure larger than zero but less than 0.5%					

6.20 SME employers who were aware of any types of support, were asked how they came to be aware of it.

- 6.21 The most common route to becoming aware of support was through the businesslink.gov.uk website (33 per cent).
- 6.22 Thirty per cent became aware of support available through local or national newspapers and 20 per cent became aware of support through websites for business users other than businesslink.gov.uk.
- 6.23 SME employers in the construction sector were less likely than average to become aware through national or local newspapers (18 per cent became aware through this channel compared with 30 per cent overall). Those in the construction sector were more likely than average to become aware through an accountant (with 40 per cent becoming aware in this way compared with 22 per cent overall).

Table 6f: How made aware of new / altered support ^{bx} – by sector					
Base = All who are aware of any types of government support	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	280	46	18	79	137
	%	%	%	%	%
The Businesslink.gov.uk website	33	24	35	32	36
Local or national newspapers	30	30	18	31	30
Business membership organisations and trade bodies	30	29	43	24	33
An Accountant	22	10	40	22	22
Other websites for business users	20	13	22	21	21
A customer, supplier or other business contact	15	15	2	15	16
An online professional network (such as LinkedIn)	14	9	18	8	19
Enterprise agencies	8	14	-	6	8
Any other public sector sources of advice or support	8	7	1	3	12
Training providers	7	4	21	4	9
Your bank	6	7	2	4	7
A solicitor/lawyer	5	*	18	5	5
Television	4	10	-	2	3
Other	5	9	-	5	3
No - have not been directed to / provided information on where to find support or advice for businesses in the last 12 months	8	2	16	14	5
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research * = a figure which is more than 0%, but less than 0.5%					

Business mentors

6.24 Twelve per cent of SME employers in November 2011 had used a business mentor in the previous 12 months (described as 'somebody with business experience who supports you through the development and running of your business on a continuous basis'). This proportion was significantly lower in the TRAD sector (six per cent), and medium sized employers were more likely than average to have used a mentor (with 23 per cent of those interviewed having done so).

Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
November 2011 - Yes	12	13	20	6	14
August 2011	500	100	53	145	202
	%	%	%	%	%
August 2011 - Yes	16	18	20	8	19
SBS 2011	3817	591	315	1157	1754
	%	%	%	%	%
SBS 2010 - Yes	11	10	10	8	15
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

6.25 The proportion of SME employers using business mentors has decreased since August 2011, though only to levels of usage seen in SBS 2010.

6.26 Of those that had used mentors, 32 per cent had used a specialist business mentor, 26 per cent had used a friend or peer, 23 per cent had used somebody who provides other services to businesses such as an accountant or lawyer and 12 per cent had used somebody with a commercial interest in their business such as an investor (an increase of 11 percentage points since August 2011 in using this type of mentor).

6.27 Of those that had used mentors, 85 per cent interacted with them primarily face to face, 6 per cent by telephone and 3 per cent by email.

6.28 Those using a business mentor were asked whether it had helped them in a number of areas, the results of which are shown in table 6h below.

Table 6h: Areas in which businesses have been helped by using a mentor ^{lxxii} – by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	73	14	9	12	38
	%	%	%	%	%
Developing business plans and strategy	72	60	52	57	90
Enhancing leadership and management skills	59	73	49	15	73
Increasing sales or profits	52	29	48	46	62
Developing new products or processes	41	23	51	7	54
People management such as recruitment	37	29	26	12	53
Obtaining finance	32	27	3	46	42
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

- 6.30 Those using a mentor were most likely to say that it had helped them to develop business plans and strategy (72 per cent).
- 6.31 Overall the service sector was more likely than average to feel it had benefited in a number of areas from mentoring.
- 6.32 The only size related difference was that medium SME employers were less likely than average to feel that mentoring had helped them increase sales or profits (22 per cent compared with 52 per cent overall).
- 6.33 Four per cent of those who had not used a business mentor had considered taking one on, whereas 95 per cent had not.
- 6.34 Of those that had considered using a mentor but not actually done so⁶, 40 per cent had been unable to identify a suitable person, 26 per cent had found a mentor but had decided not to use them and eight per cent were still in the process of deciding.
- 6.35 Nine per cent of SME employers were currently acting as mentors, and a further seven per cent were considering becoming one.
- 6.36 Those who had become a mentor were asked about the potential benefits that it had brought to them. Fifty nine per cent of those acting as a mentor agreed that it had enhanced their leadership and management skills and 48 per cent agreed that it had increased sales or profit due to this providing them with the chance to reflect on their own business strategy.

⁶ 21 SMEs were asked this question – therefore the results should be treated as indicative only.

Table 6i: Whether acting as a business mentor/considering becoming one ^{lxviii} – by sector					
Base = all SME employers	All	Primary/ Manu	Construct- ion	TRAD	Services
November 2011	500	82	48	139	231
	%	%	%	%	%
Yes – currently acting as one	9	8	5	7	11
Considering becoming one	7	13	5	5	7
Neither of these	83	79	90	87	79
August 2011	500	100	53	145	202
	%	%	%	%	%
Yes – currently acting as one	9	6	9	7	10
Considering becoming one	4	6	0	2	6
Neither of these	87	88	91	90	83
Figures in bold are statistically significant at the 95% confidence level against the overall finding for that wave of research					

7 Technical Appendix

7.1 A sample of SME employers was drawn from those who had taken part in the 2010 SBS survey and who were willing to be re-contacted.

- Those that had been interviewed in the SBS women-led and MEG-led boost recalls, and those that had refused to take part, could not be interviewed⁷, or did not want to take part in future research in the December 2010, February 2011 or August 2011 Business Barometers were excluded.
- Only those with employees were sampled
- Those who had applied for finance in the 12 months preceding the 2010 SBS interview were oversampled
- The sample was drawn in the correct regional proportion (the SBS contained a boost in Wales)

7.2 Larger SMEs were oversampled (10-49 employees, 50-249 employees)

7.3 Quotas were imposed on size of business (according to number of employees), broad sector (primary/manufacturing; construction; transport, retail and distribution; services), and whether finance had been sought in the SBS. The data were weighted at the analysis stage to correct any sampling bias and make the survey representative of all SME employers (based on 2009 SME statistics, published by BIS).

	Unweighted		Weighted	
	n=	%	n=	%
1-9 employees	230	46	420	84
10-49 employees	177	35	69	14
50-249 employees	93	19	11	2
Primary/manufacturing	82	16	69	14
Construction	48	10	62	12
Transport, retail and distribution	139	28	166	33
Services	231	46	204	41
Sought finance in the previous 12 months (in SBS 2010)	154	31	131	26
Did not	346	69	369	74
Total	500	100	500	100

⁷ E.g. because business had closed, moved or dead line encountered

- 7.4 500 interviews were conducted between 28th November and 20th December 2011 using Computer Assisted Telephone Interviewing (CATI).
- 7.5 Figures reported on in this report are statistically significant at the 95 per cent confidence limit, unless stated otherwise. No design factor has been applied to the calculations. Where a change occurs for figures based on sample sizes of less than 10 respondents, this is not reported as significant.

Endnotes

ⁱ This depends on the percentage where the finding is at. A change of 3.7 per cent is required for findings around 10 or 90 per cent; a change of 5.7 per cent for findings around 30 or 70 per cent; and a change of 6.2 per cent for findings around 50 per cent. Throughout the report, changes are described as statistically significant or not. Significance testing has been done at the 95% confidence level.

Where a change occurs for figures based on sample sizes of less than 10 respondents, this is not reported as significant.

ⁱⁱ A1/A3. How many employees does your business currently employ across all sites, excluding owners and partners?/How many people did the business employ 12 months ago across all sites (still excluding owners and partners)?

ⁱⁱⁱ A1/A3. How many employees does your business currently employ across all sites, excluding owners and partners?/How many people did the business employ 12 months ago across all sites (still excluding owners and partners)?

^{iv} A1/A3. How many employees does your business currently employ across all sites, excluding owners and partners?/How many people did the business employ 12 months ago across all sites (still excluding owners and partners)?

^v A7. Have you recruited any new employees in the past 12 months?

^{vi} A7. Have you recruited any new employees in the past 12 months?

^{vii} A1/A5: How many employees does your business currently employ across all sites, excluding owners and partners?/How many people do you expect the business to employ in 12 months time (excluding owners and partners)?

^{viii} A1/A5: How many employees does your business currently employ across all sites, excluding owners and partners?/How many people do you expect the business to employ in 12 months time (excluding owners and partners)?

^{ix} A1/A5: How many employees does your business currently employ across all sites, excluding owners and partners?/How many people do you expect the business to employ in 12 months time (excluding owners and partners)?

^x A8/Q9: Can you please tell me the approximate turnover of your business in the past 12 months?/Compared with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same?

^{xi} A8/Q9: Can you please tell me the approximate turnover of your business in the past 12 months?/Compared with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same?

^{xii} A8/Q9: Can you please tell me the approximate turnover of your business in the past 12 months?/Compared with the previous 12 months, has your turnover in the past 12 months increased, decreased or stayed roughly the same?

^{xiii} A15: Taking into account all sources of income in the last 12 months, did you generate a profit or surplus?

^{xiv} A12: In the next 12 months do you expect your turnover to increase, decrease or stay roughly the same?

^{xv} A12: In the next 12 months do you expect your turnover to increase, decrease or stay roughly the same?

^{xvi} A12: In the next 12 months do you expect your turnover to increase, decrease or stay roughly the same?

^{xvii} A16b: Do you expect to make a profit in the next 12 months?

^{xviii} A17: Over the next two to three years, do you aim to grow your business?

^{xix} A17: Over the next two to three years, do you aim to grow your business?

-
- xx B2b: In the last 6 months, have you made any changes to your plans for growing your business?
- xxi B2b: In the last 6 months, have you made any changes to your plans for growing your business?
- xxii A18: Do you expect to fund your business growth using internal finance or from external finance providers?
- xxiii A18b: Which of these types of investment, if any, are you planning to do in the next 12 months?
- xxiv A18b: Which of these types of investment, if any, are you planning to do in the next 12 months?
- xxv B1: In the last 6 months, have you made any changes to your long term planned investment levels as a direct result of recent economic conditions?
- xxvi B1: In the last 6 months, have you made any changes to your long term planned investment levels as a direct result of recent economic conditions?
- xxvii A22: Does your business currently sell goods or services or licence your product outside of the UK?
- xxviii A22: Does your business currently sell goods or services or licence your product outside of the UK?
- xxix B3: In the last 6 months has your level of exports changed as a direct result of recent economic conditions? Have your exports...?
- xxx A24a: What are the barriers that prevent your business exporting?
- xxxi B7: Which is the biggest obstacle to the success of your business?
- xxxii B7: Which is the biggest obstacle to the success of your business?
- xxxiii B7: Which is the biggest obstacle to the success of your business?
- xxxiv B8: What do you consider to be the causes of this cash flow difficulty?
- xxxv E1/E1a: Which of these are your direct customers?/Have you actually done any work for government departments or other public sector bodies in the last six months?
- xxxvi E1/E1a: Which of these are your direct customers?/Have you actually done any work for government departments or other public sector bodies in the last six months?
- xxxvii E1c: In the last 6 months have you noticed any change in the speed in which you've been paid by government departments or other public sector bodies?
- xxxviii E1c: In the last 6 months have you noticed any change in the speed in which you've been paid by government departments or other public sector bodies?
- xxxix E1c: In the last 6 months have you noticed any change in the speed in which you've been paid by government departments or other public sector bodies?
- xl E1c2: In the last six months how long, on average, would you say that it takes to get an invoice paid by your main public sector client? Allowing time for them to receive the invoice, would you say that it takes them.....
- xli E1c2: In the last six months how long, on average, would you say that it takes to get an invoice paid by your main public sector client? Allowing time for them to receive the invoice, would you say that it takes them.....

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- xiii E12: To what extent do you agree or disagree with the statement "In 12 months time I am confident that my business will still be trading."?
- xiiii E12: To what extent do you agree or disagree with the statement "In 12 months time I am confident that my business will still be trading."?
- xliv E12: To what extent do you agree or disagree with the statement "In 12 months time I am confident that my business will still be trading."?
- xlv E10: Do you anticipate the closure or full transfer of the ownership of your business in the next 12 months?
- xlvi A19: I'd now like you to think about innovation within your business i.e. new products and services. Have you introduced new or significantly improved products or services in the past 12 months?/A20: Have you introduced new or significantly improved processes in the last 12 months?
- xlvii A19: I'd now like you to think about innovation within your business i.e. new products and services. Have you introduced new or significantly improved products or services in the past 12 months?/A20: Have you introduced new or significantly improved processes in the last 12 months?
- xlviii A21: Over the past 12 months, has your business funded or arranged any training and development for staff in the organisation, including any informal on the job training?
- lix D7: Have you tried to obtain finance for your business in the past 6 months?
- l D8: What did you try to obtain finance for?
- li D9: What type of finance did you seek? Please include all types of finance including where you failed to obtain it if applicable
- lii D9: What type of finance did you seek? Please include all types of finance including where you failed to obtain it if applicable
- liii D9: What type of finance did you seek? Please include all types of finance including where you failed to obtain it if applicable
- liv D9a: Before you applied for finance how confident were you that you would be successful?
- lv D9b: And before you applied for finance, did you take any of the following steps to try and ensure you were successful in obtaining finance?
- lvi D9b: And before you applied for finance, did you take any of the following steps to try and ensure you were successful in obtaining finance?
- lvii D10: Did you have any difficulties obtaining this finance from the first source you approached?
- lviii D16: Why have you not applied for finance in the last 6 months?
- lix D16: Why have you not applied for finance in the last 6 months?
- lx D2: Have you experienced any of the following changes to the terms and conditions for business bank overdraft in the last 6 months?
- lxi D5: Have you experienced any of the following changes to the terms and conditions of your existing business bank loan over the last 6 months?
- lxii D1b: How would you describe your business's relationship with its bank? Please answer on a scale of 1 to 5, where one signifies the relationship is very poor and 5 that it is very good.

lxiii D5a: Do you use a credit card for business purposes? IF YES: In the last 6 months have you tended to carry an outstanding balance over from one month to another on any of these cards?

lxiv D5a: Do you use a credit card for business purposes? IF YES: In the last 6 months have you tended to carry an outstanding balance over from one month to another on any of these cards?

lxv C4bi: In the last 12 months have you sought external advice or information on matters affecting your business?/C4bii: Was the advice that you sought from the public or private sector, or both?

lxvi C4biii: What did you seek advice about in the last year?

lxvii C21: Have you had any difficulties, or important information or advice needs that you did not get external advice or support for in the last 12 months?/C22: Which of the following, if any, were reasons why you did not seek information or assistance for these difficulties or needs?

lxviii C4bv Are you aware of the Businesslink.gov.uk website? And if so have you used it for any purpose in the last 12 months?/ C4bvi Have you used the Businesslink.gov.uk website since the start of November 2011?

lxix C4bix Which, if any, of the following types of support or advice are you aware of?/ C4bx Which, if any, of the following types of support or advice have you used in the last 12 months?

lxx C4bxi: Can you tell me whether you were made aware of this new or altered support through any of the following...?

lxxi C23: In the last 12 months have you used a business mentor – that is somebody with business expertise who supports you through the development and running of your business on a continuous basis?

lxxii C25a: Has business mentoring helped your business in any of the following areas...?

lxxiii C27: Are you currently acting as or considering becoming a business mentor for another business owner or entrepreneur?