



**The FSB-ICM 'Voice of Small Business'  
Annual Survey - Yorkshire & the Humber  
February 2010**

Prepared by Guided Insight & ICM Research for the Federation of Small Businesses



**Federation of Small Businesses**  
The UK's Leading Business Organisation

**GuidedInsight**

**ICM**

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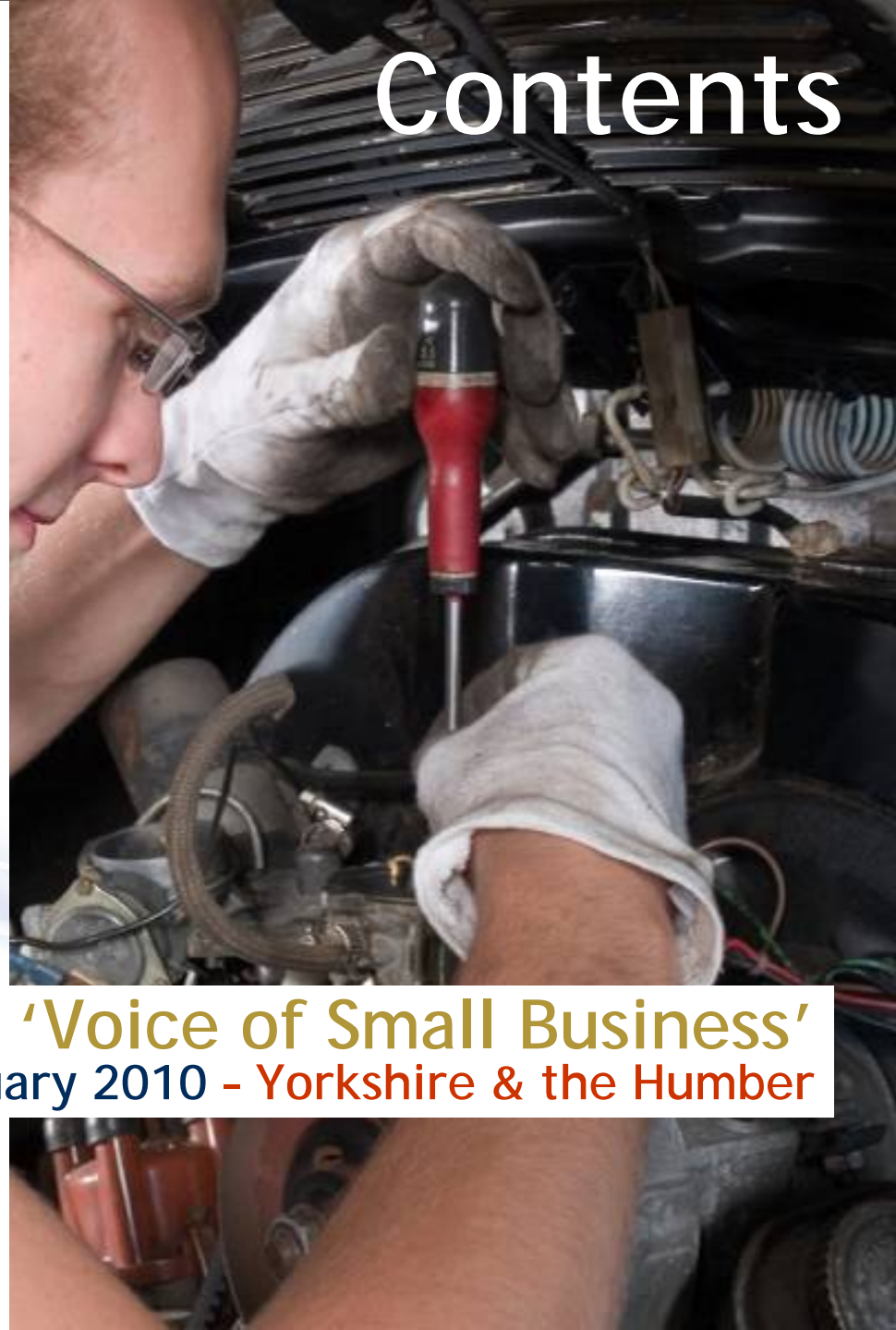
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**The FSB-ICM 'Voice of Small Business'**  
Annual Survey - February 2010 - **Yorkshire & the Humber**

**ICM** GuidedInsight





# Background & Methodology



# Background & Objectives

Annual Survey of Members

National Panel Survey ('Small Business Voice panel community')

South East   South West   North East   North West   East Mids   **Yorkshire & the Humber**   West Mids   East Eng   London   Scotland   Wales   N. Ireland

## Goals:

- An *annual survey* (replacing the biennial survey since 2000) of self-employed and small business membership of 215,000 members. It follows on from the surveys conducted in 2004, 2006 and 2008. The key aim is to identify the state of the small business sector and the key issues affecting it
- To recruit a *national survey panel* in order to manage communications to a representative sample of the FSB membership and roll out key policy surveys in the future

# Sample & Research Methodology Yorkshire & the Humber

Self-completion methodology  
Post and Online

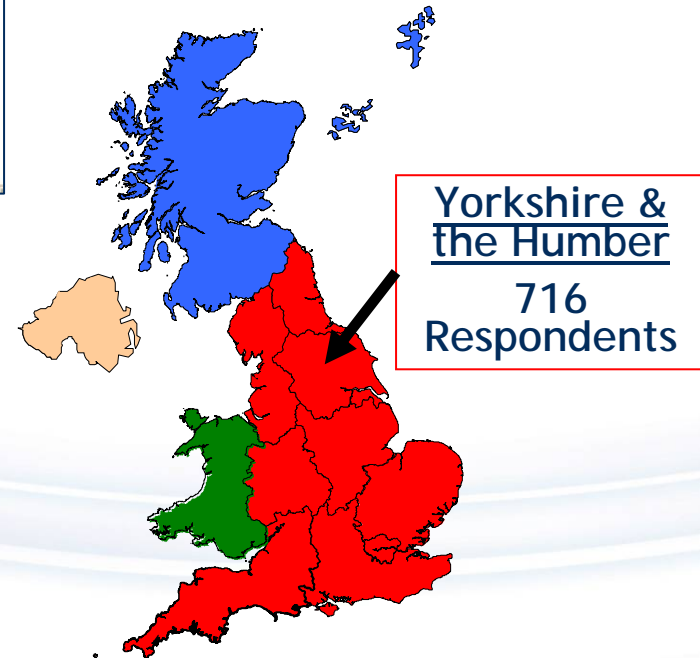


- UK Census of all c.215,000 FSB members
- UK Results based on 9,761 completed surveys
  - Yorkshire & the Humber responses = 716
  - Fieldwork: 18 September - 30 October 2009
- 45 question survey (8 page questionnaire)
- UK data weighted by gender and region

Share your views...

**Your Business  
Your Voice**

	Main business	2nd business	3rd business
Agriculture, forestry, fishing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Computer and related activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction and building related activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creative industries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electricity, gas and water supply	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health and social work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hotels, restaurants, bars and catering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Manufacturing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
House & overnight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal services (e.g. dry cleaning, hairdressing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



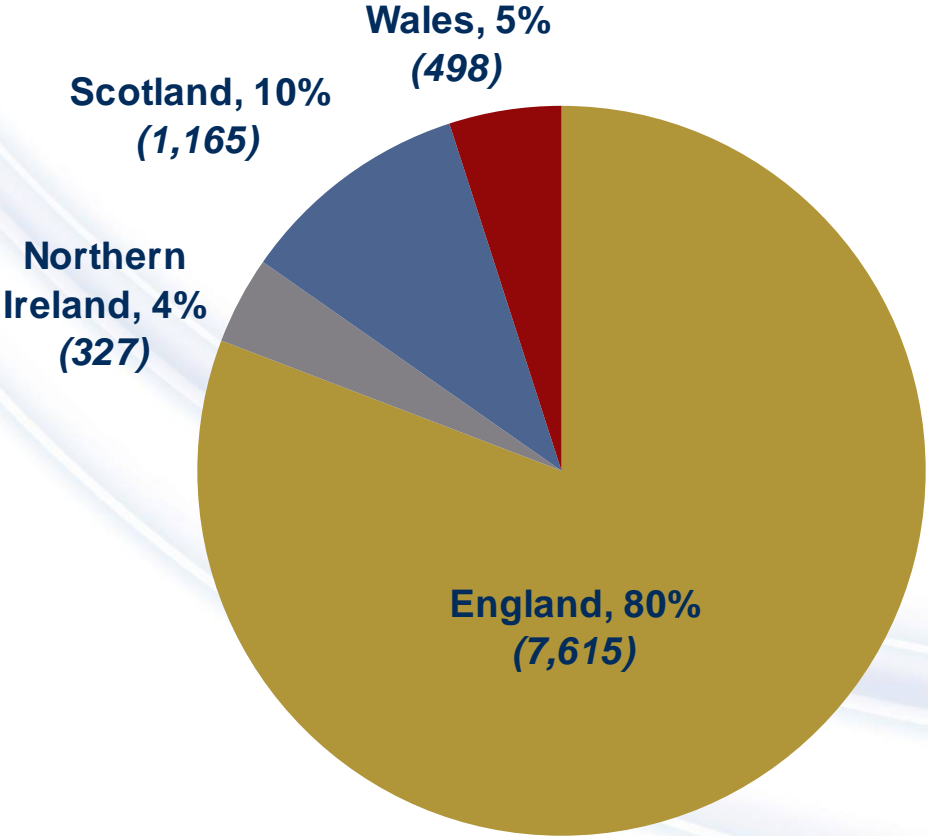


# Business Profile



# The majority of members are based in England

Nation



Confidence Intervals

UK: plus or minus 1 percentage point

England: +/-1

Northern Ireland: +/-5

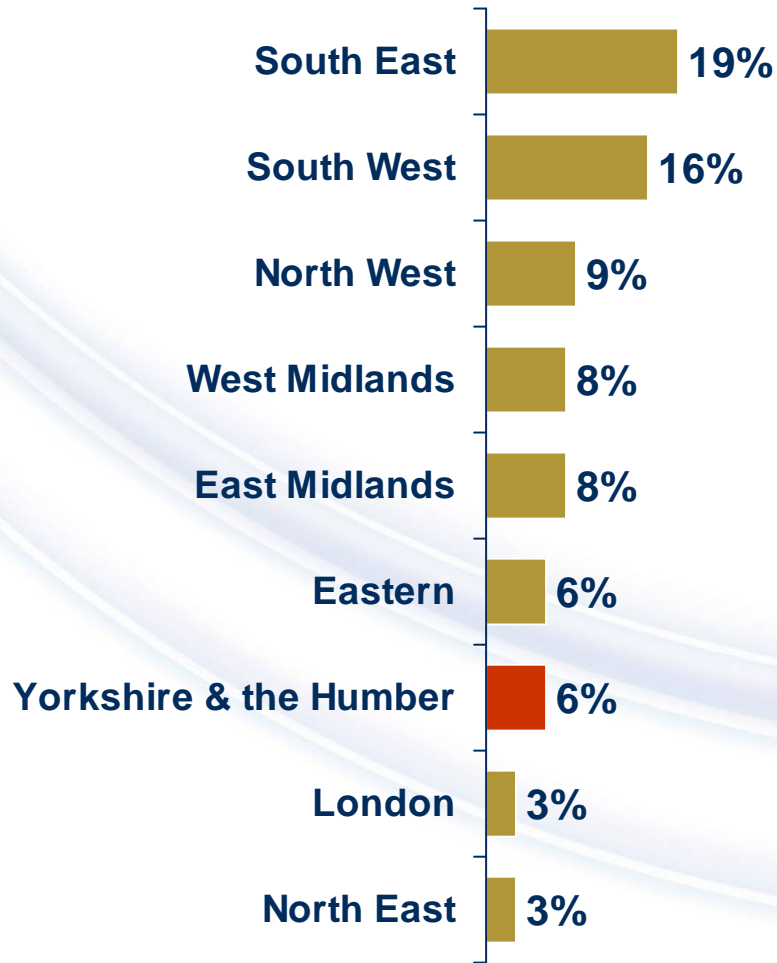
Scotland: +/-3

Wales: +/-4



# Six percent of FSB members are based in Yorkshire & the Humber

English region



The number of responses in each English region broadly corresponds to the known regional profile of the FSB membership. Note the disproportionately small number of London members relative to its population.

Q3 In which region is your business located?

Base: All UK respondents (9,761)

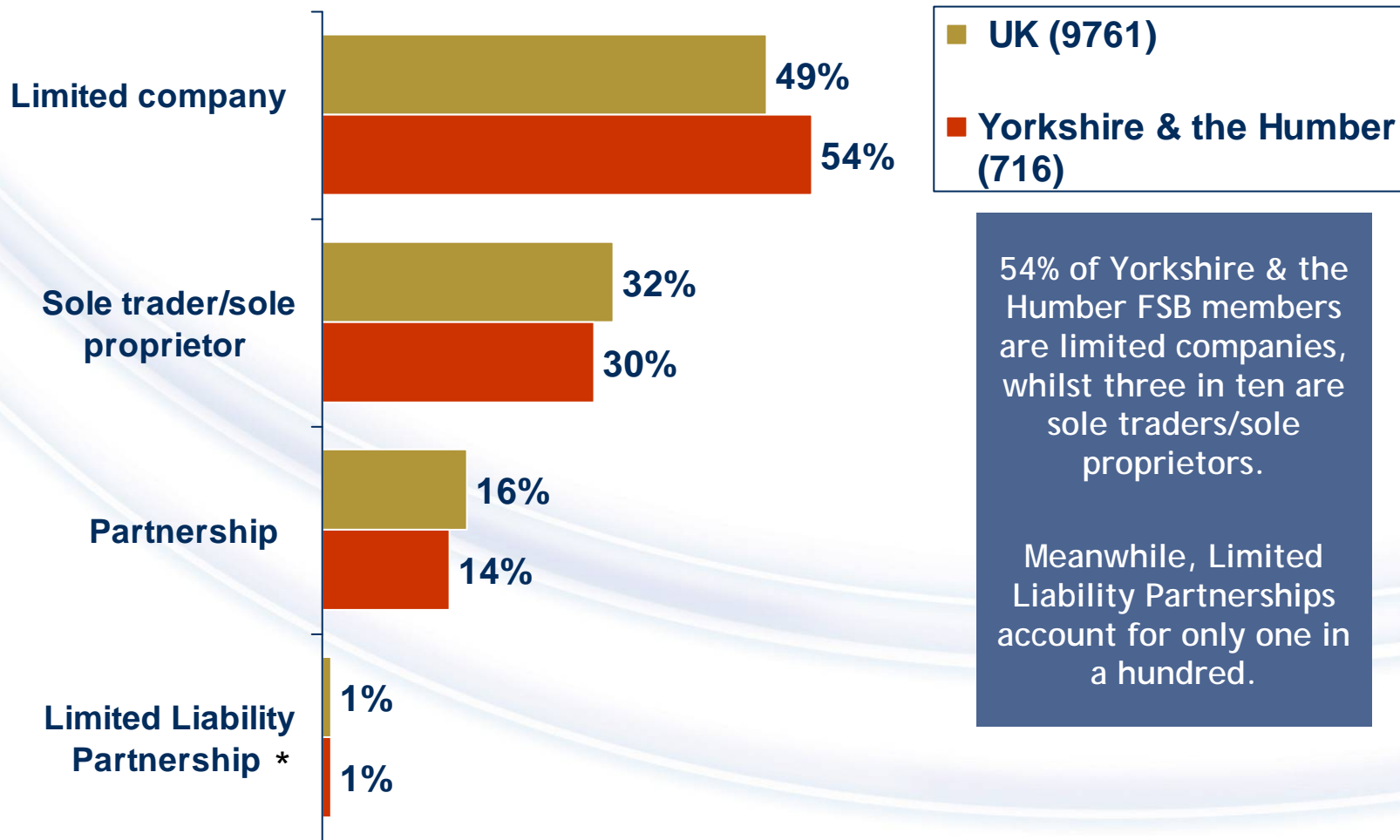
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# Over half of FSB member businesses in Yorkshire & the Humber are limited companies

Legal form of business



54% of Yorkshire & the Humber FSB members are limited companies, whilst three in ten are sole traders/sole proprietors.

Meanwhile, Limited Liability Partnerships account for only one in a hundred.

Q4 What is the legal form of your main business?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

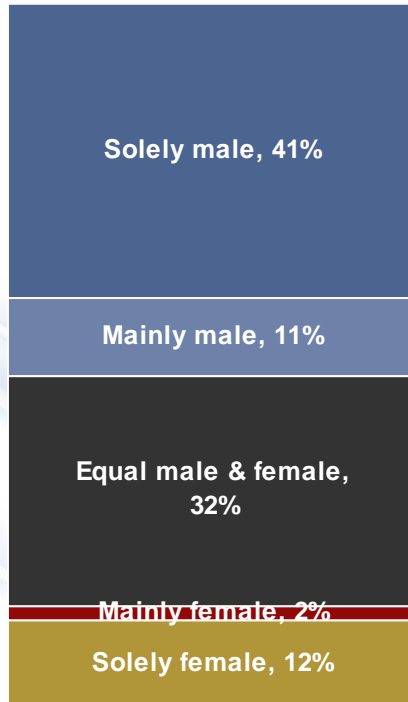
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# Half of Yorkshire & the Humber member businesses are mainly male owned

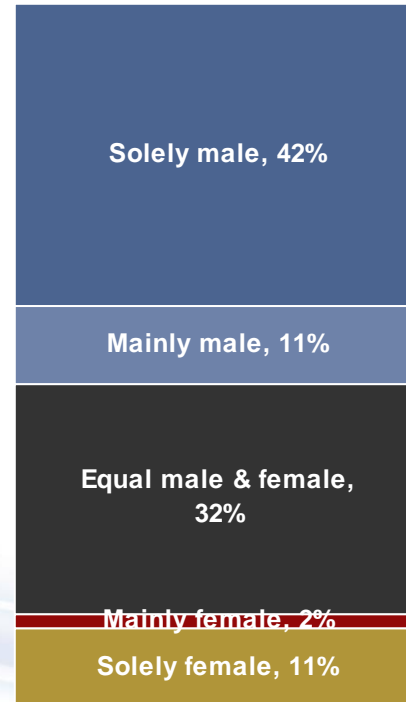
## Business ownership by gender

NET: Mainly / solely male

52%



53%



28% of Yorkshire & the Humber respondents are female. 72% are male

The average respondent age in the Yorkshire & the Humber is 53. Just 4% are aged 16-34 years

NET: Mainly / solely female

15%

14%

UK (9761)

Yorkshire & the Humber (716)

Q5 Are the owners (including partners/directors) of your main business...?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

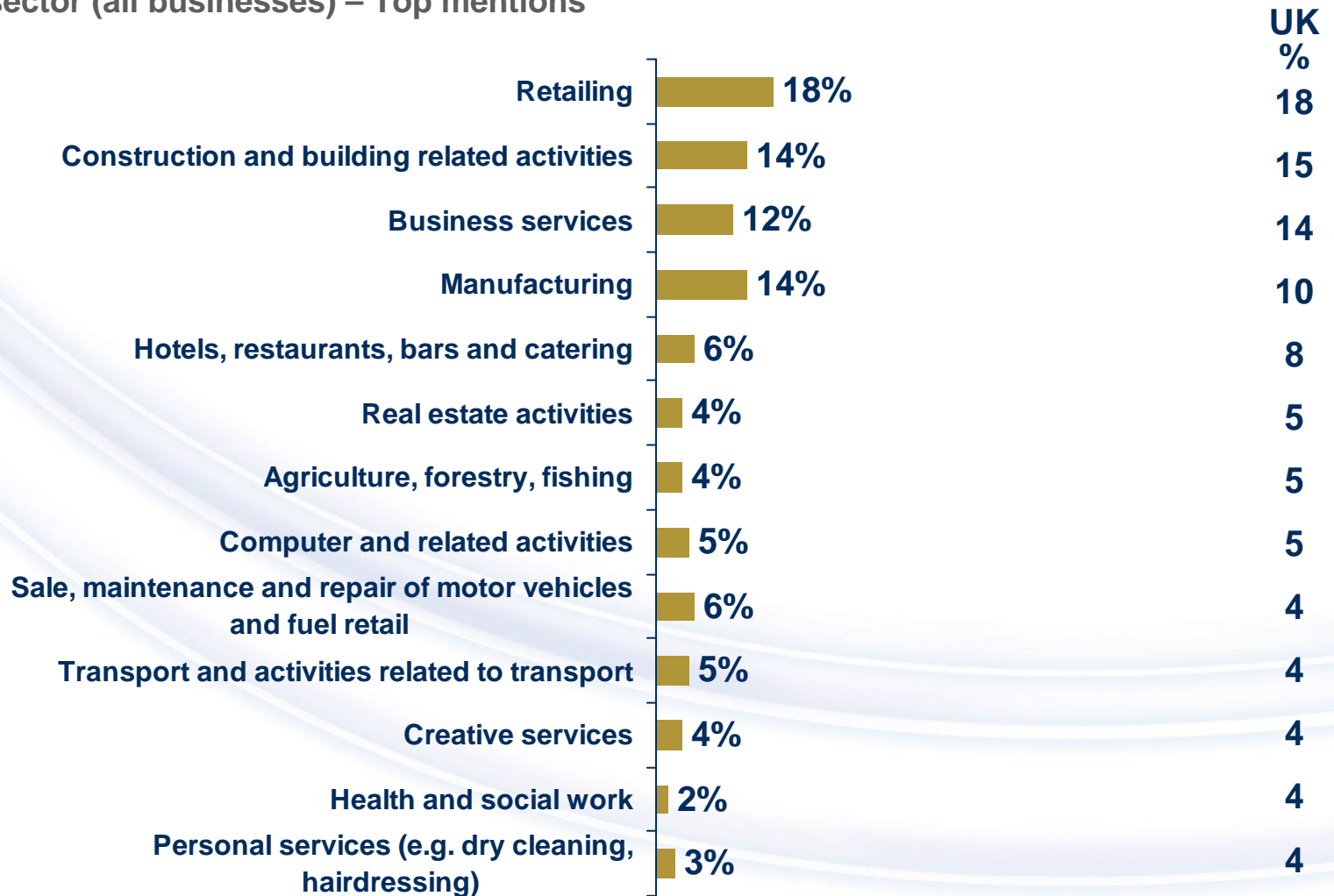
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# Yorkshire & Humber member businesses tend to be in retailing, manufacturing, construction and business services

Business sector (all businesses) – Top mentions



Q7 In what sector is/are your business/es?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

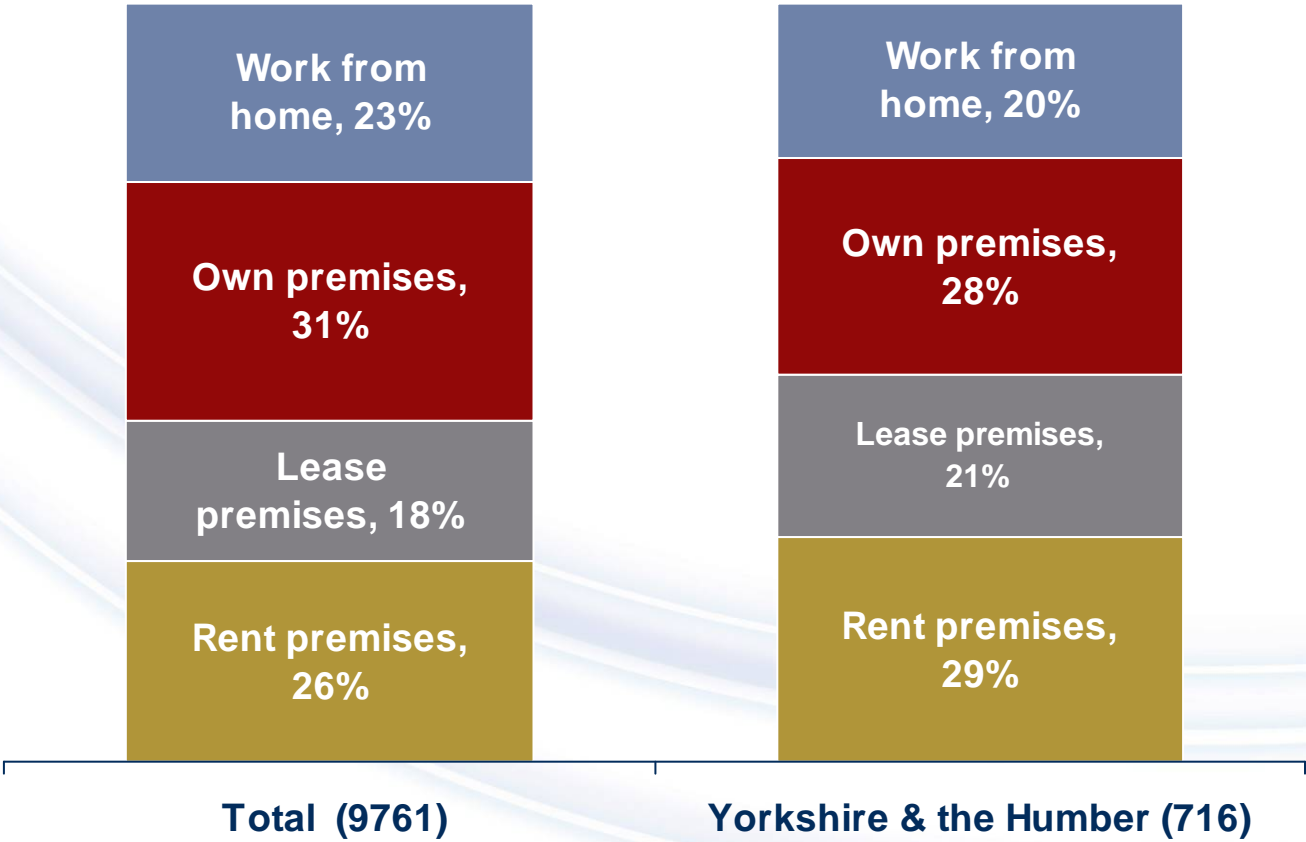
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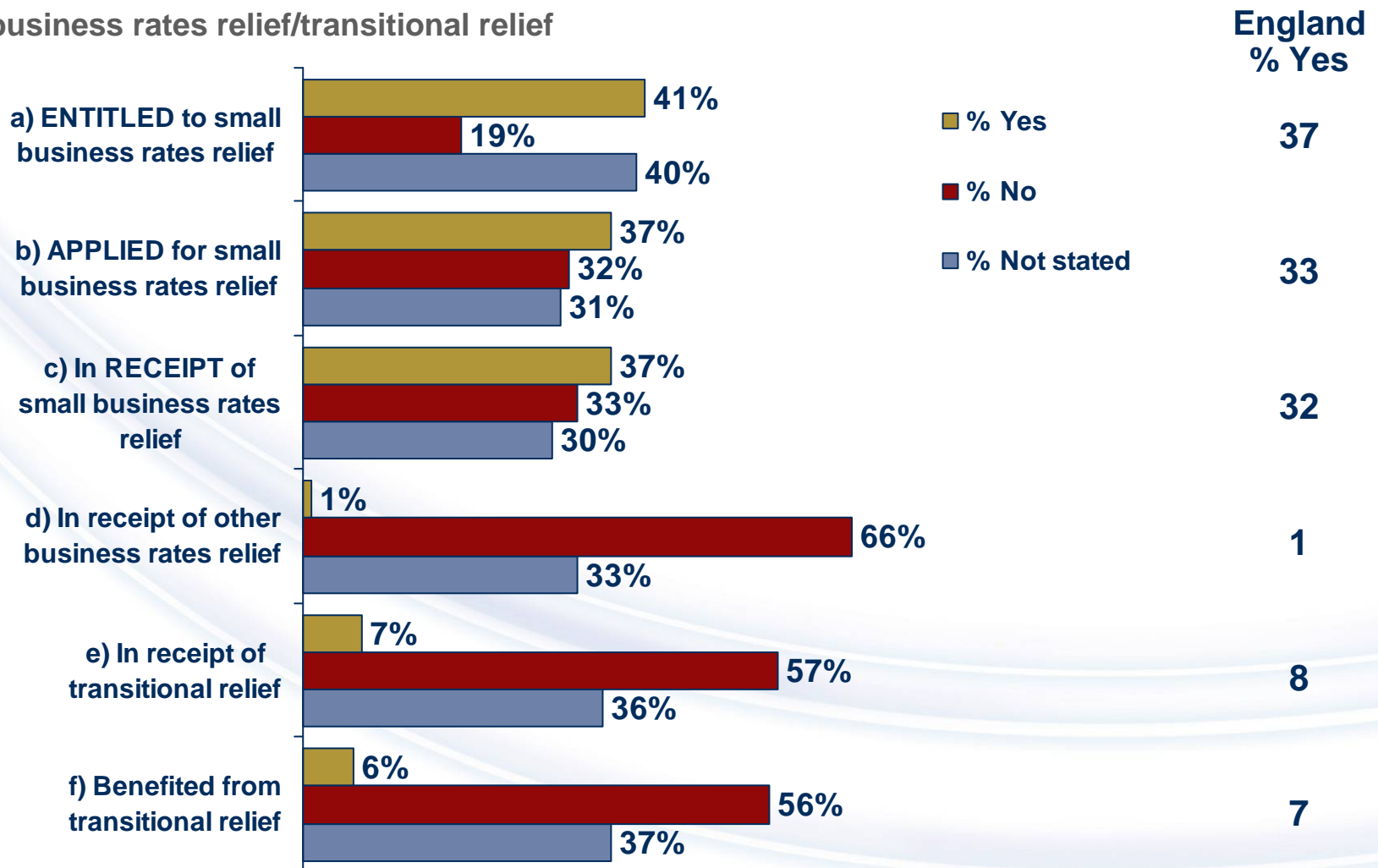
# Over a quarter of Yorkshire & the Humber members own their business premises. A fifth work from home

Business premises



# Over a third of members in Yorkshire & the Humber are in receipt of small business rates relief

## Small business rates relief/transitional relief



Q9. Is your business...?

Base: a) – f) All respondents in Yorkshire & the Humber (716)

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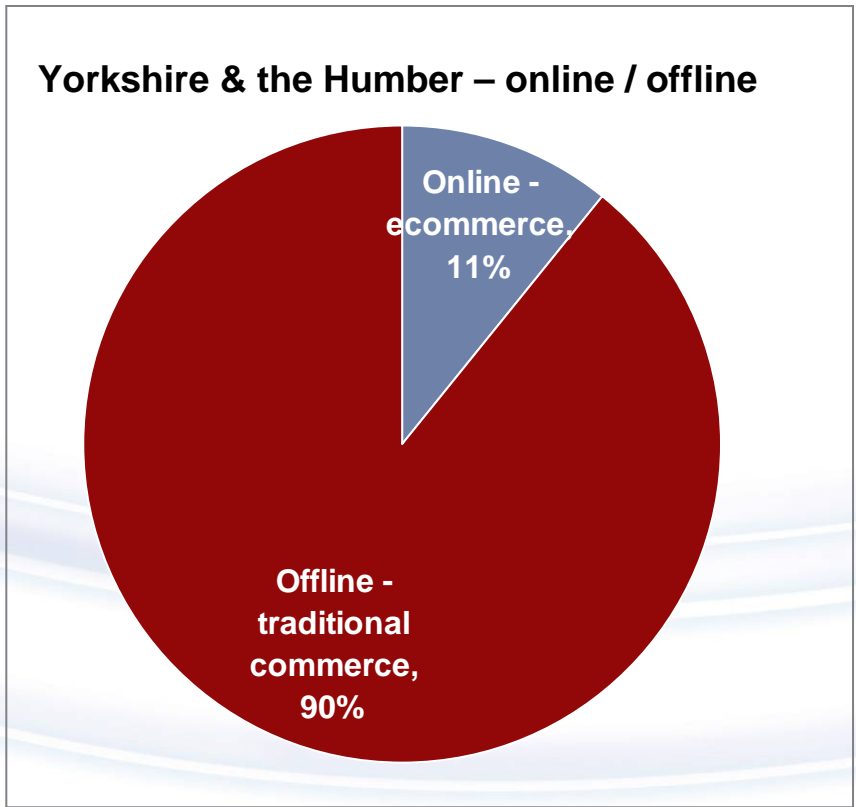
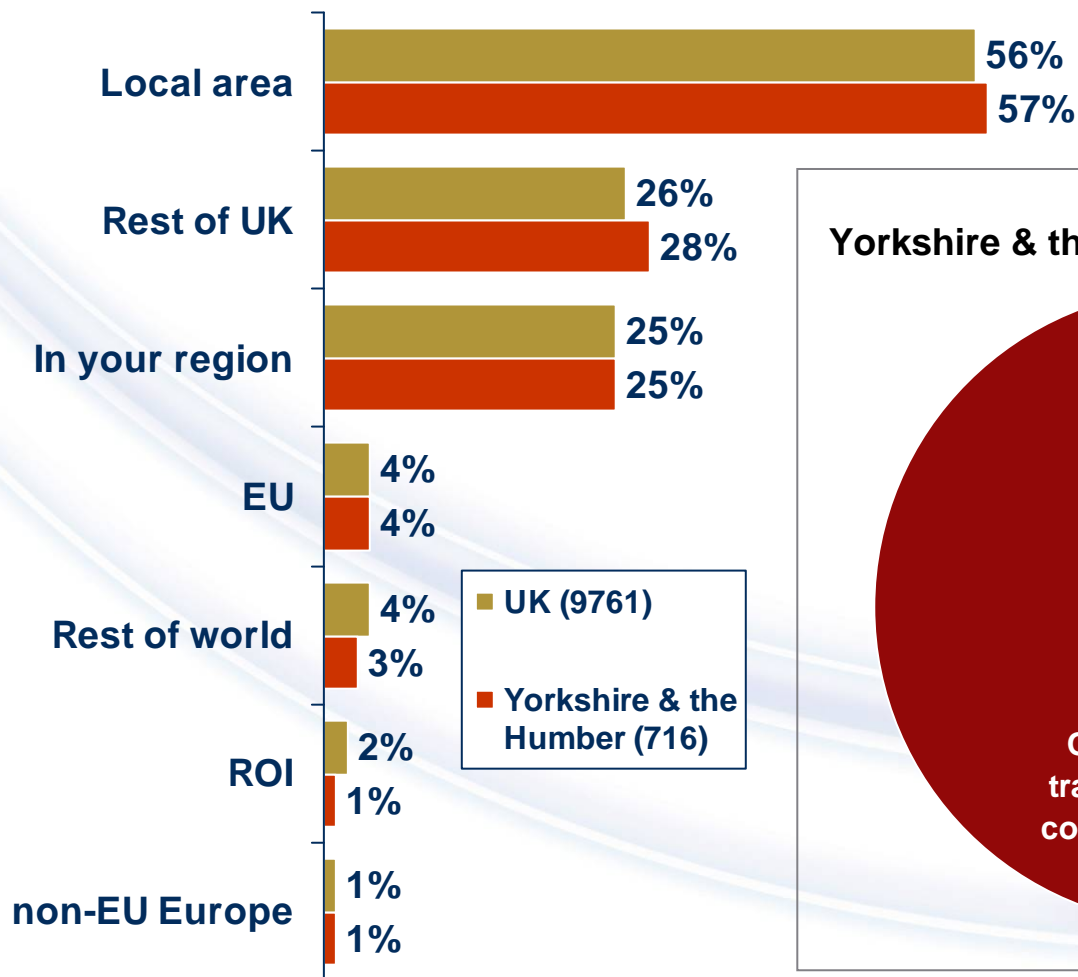




# Customers & Markets

# Over half of business is done in the local area. 11% of sales from Yorkshire & the Humber businesses are made via the internet

Annual sales - Customers based in...

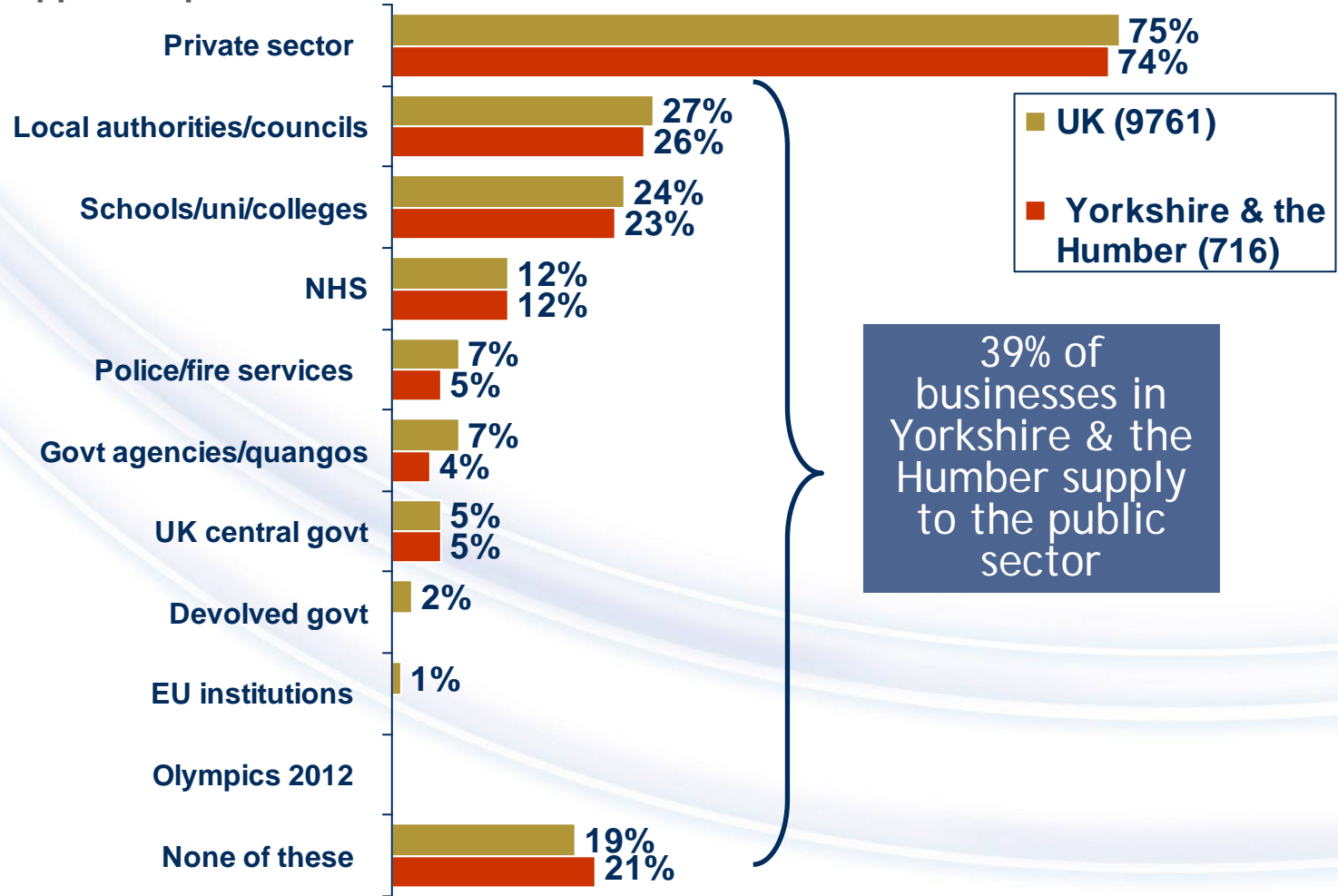


Q12 Approximately what percentage of your annual sales are in each of the following areas?

Q13 What percentage of your trade is from e-commerce? **Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

# Three-quarters of Yorkshire & Humber side businesses have private sector clients

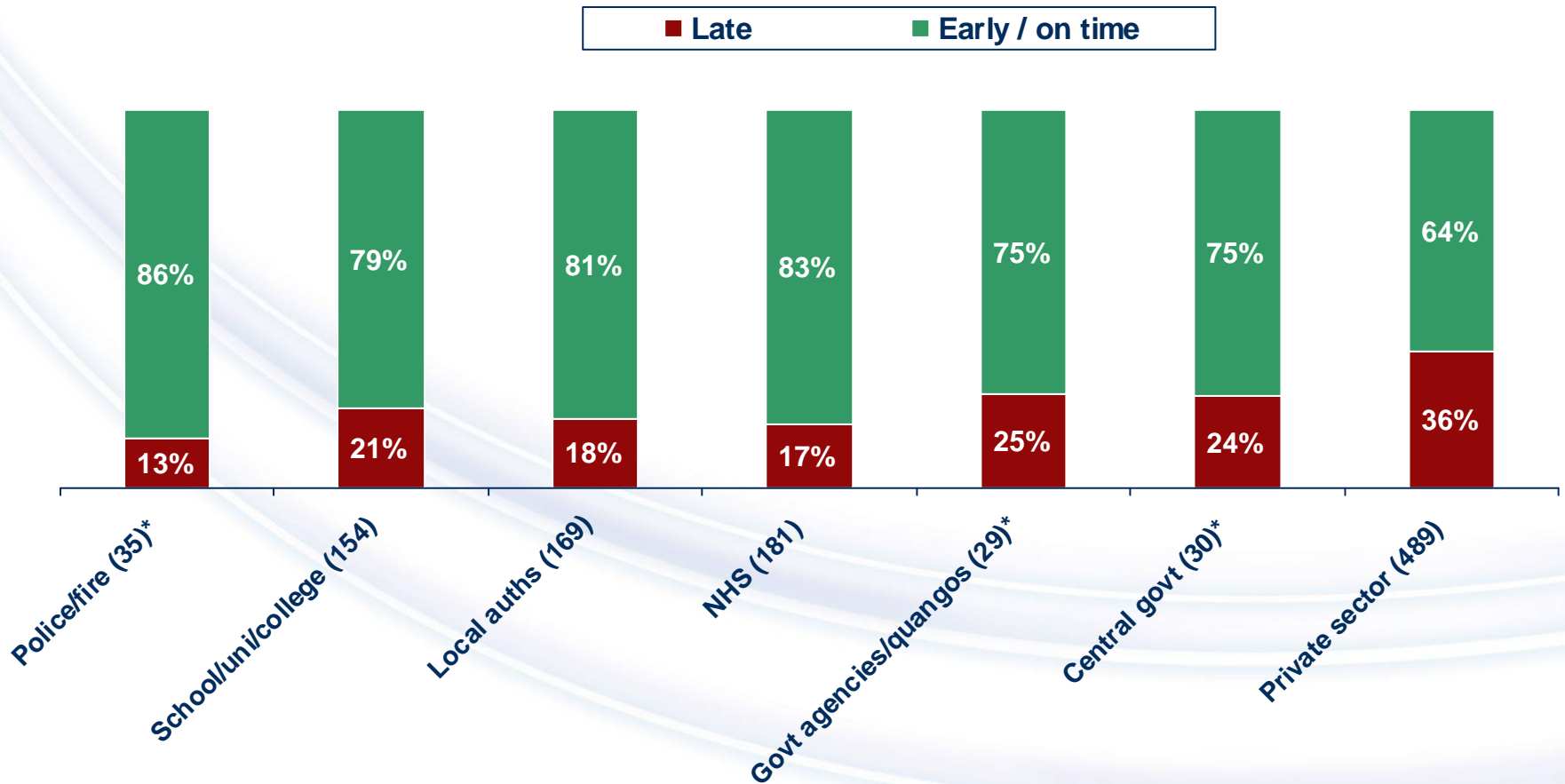
Clients supplied in past 12 months



**Q14a** To which of the following has your business supplied goods and/or services during the past 12 months? **Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

# In the Yorkshire & the Humber, The Private Sector are least likely to pay on time; the same nationally

Payments from sector tend to be received - Yorkshire & the Humber



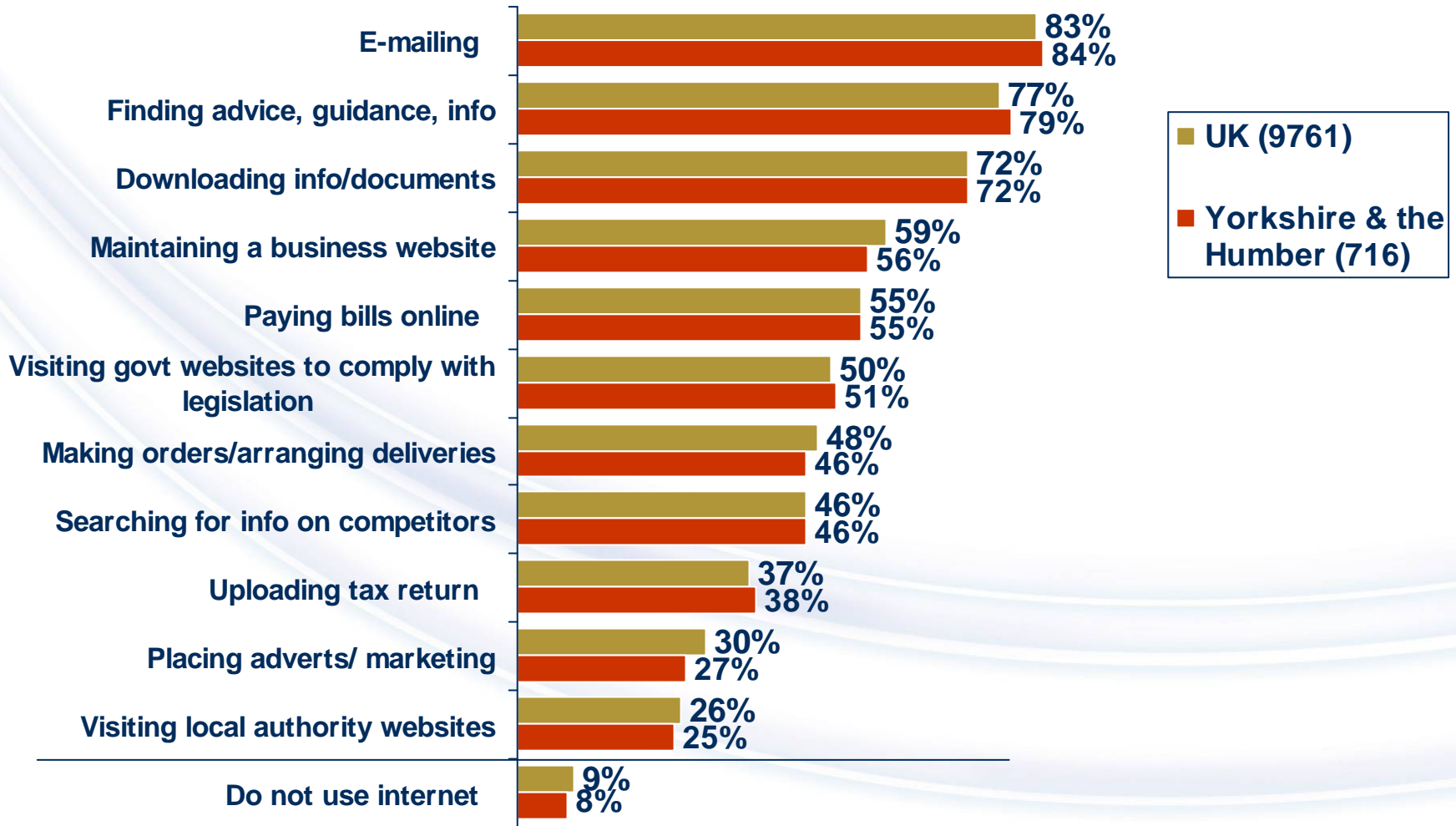
\*Caution: Small base size

**Q14b** To which of the following has your business supplied goods and/or services during the past 12 months, and has payment tended to be early, late or on time? **Base:** All in region who've supplied sector (base sizes above)



# The most common use of the internet in the Yorkshire & the Humber is as a source of information/advice

Uses of the internet for business purposes (top answers)



Q15 What, if at all, do you use the internet for when running your main business?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

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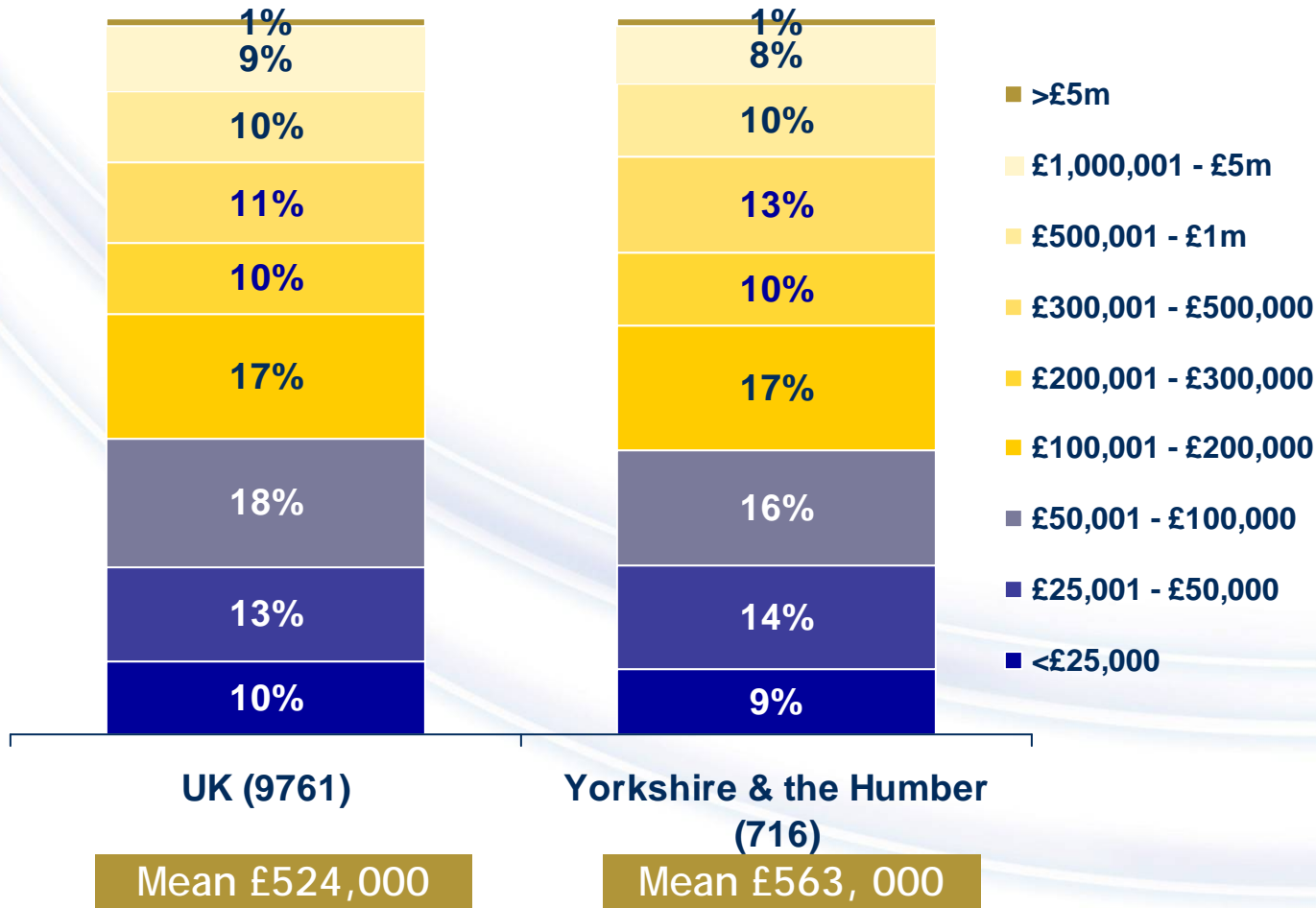


# Business Financial Performance

ICM

# 47% of businesses in the Yorkshire & the Humber turned over between £25,001 and £200,000 in the last financial year

Level of turnover for the last financial year



While 9% of FSB members turned over less than £25,000, at the other end of the scale, the same proportion turned over more than £1 million.

Q16 Please indicate the level of turnover for your main business for the last financial year?

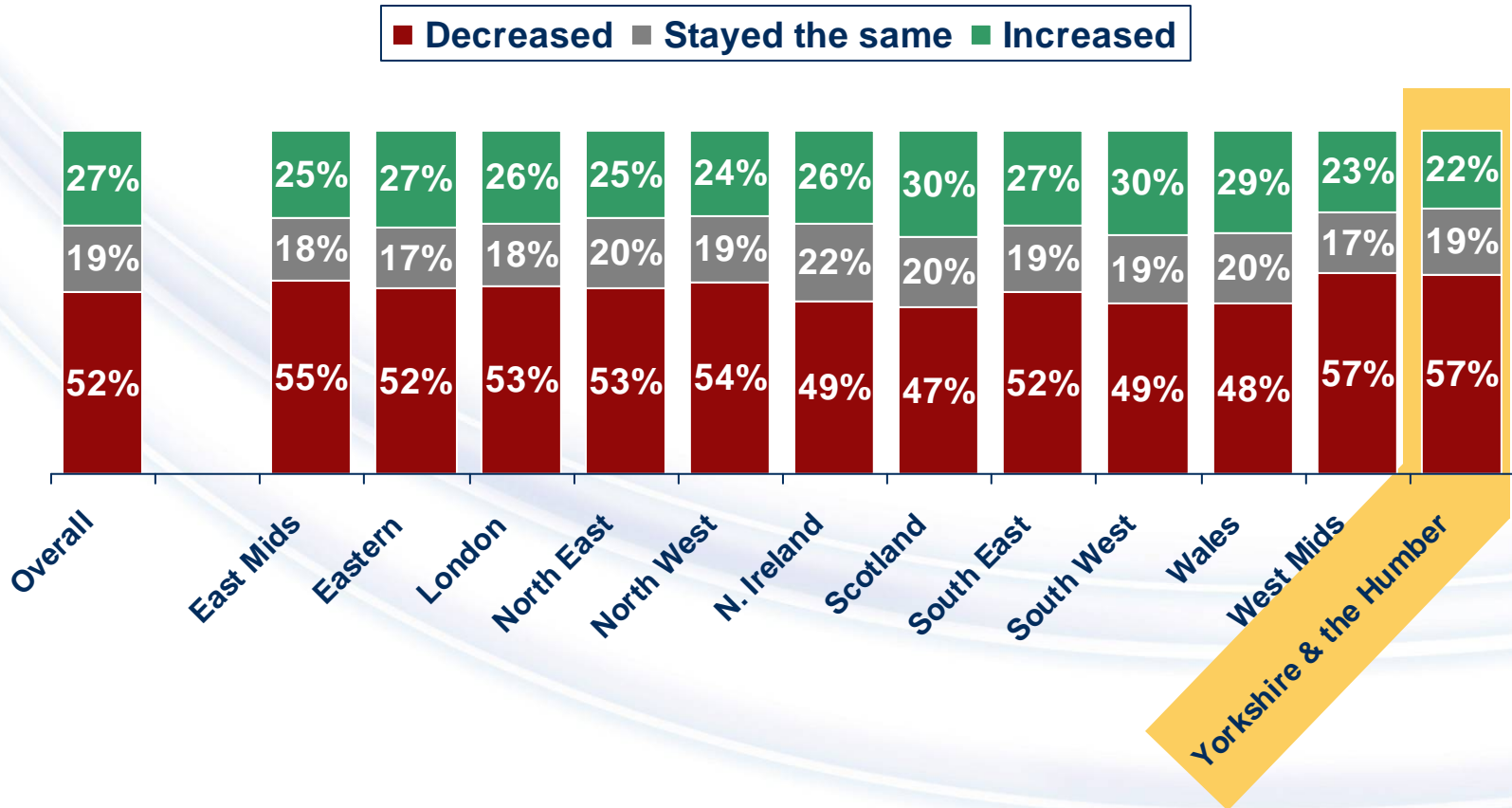
Base: All UK respondents (9,761), Yorkshire & the Humber (716)

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# More than half of Yorkshire & the Humber businesses report that their profitability has fallen over the past financial year, in line with the UK overall

Profitability over the last financial year, by region/devolved nation



Q17 Over the last financial year has your profitability...?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

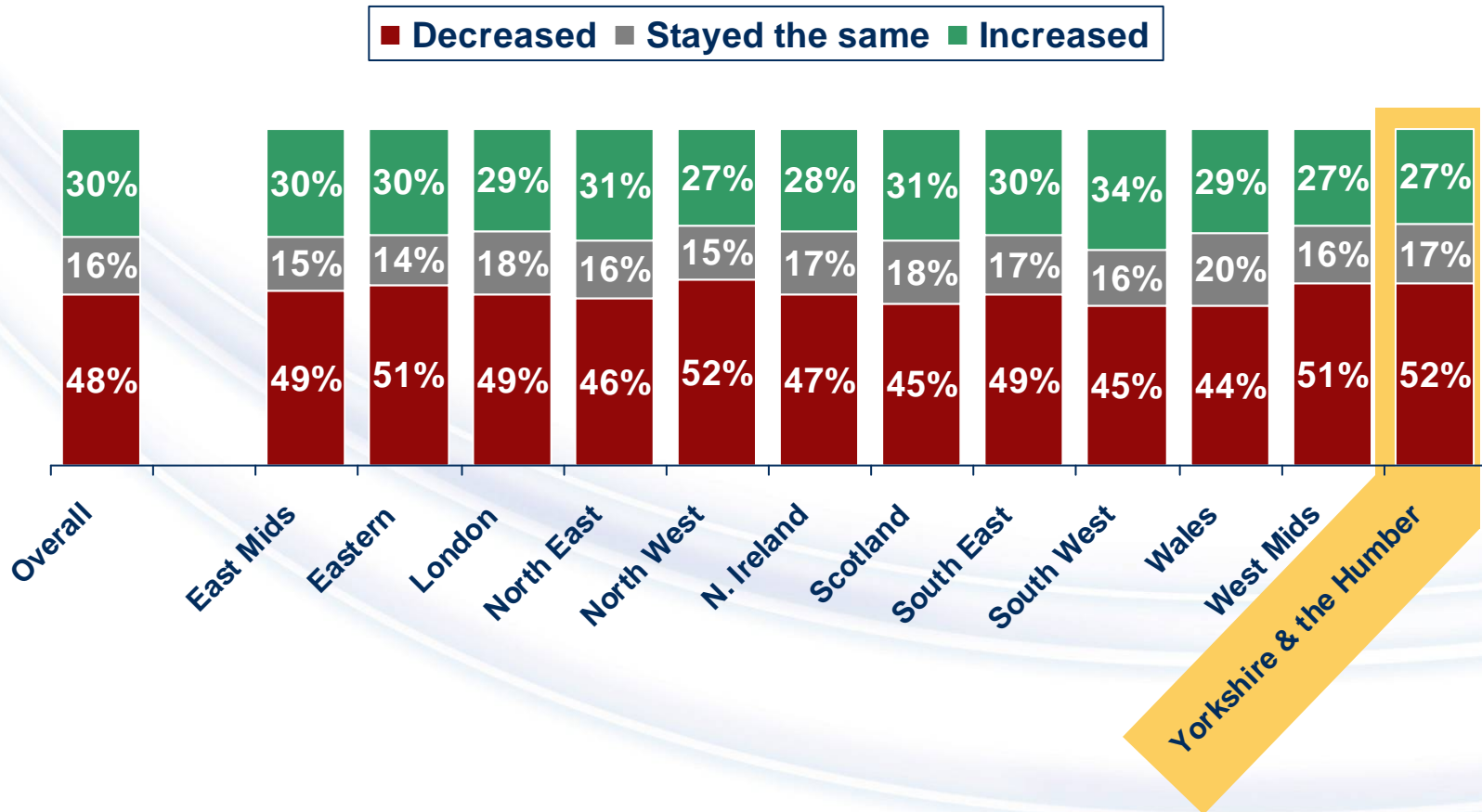
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# As with profitability, 52% of Yorkshire & the Humber businesses also report sales volume has decreased over the last year

Sales volume over the last financial year, by region/devolved nation



Q18 Over the last year has your sales volume...?

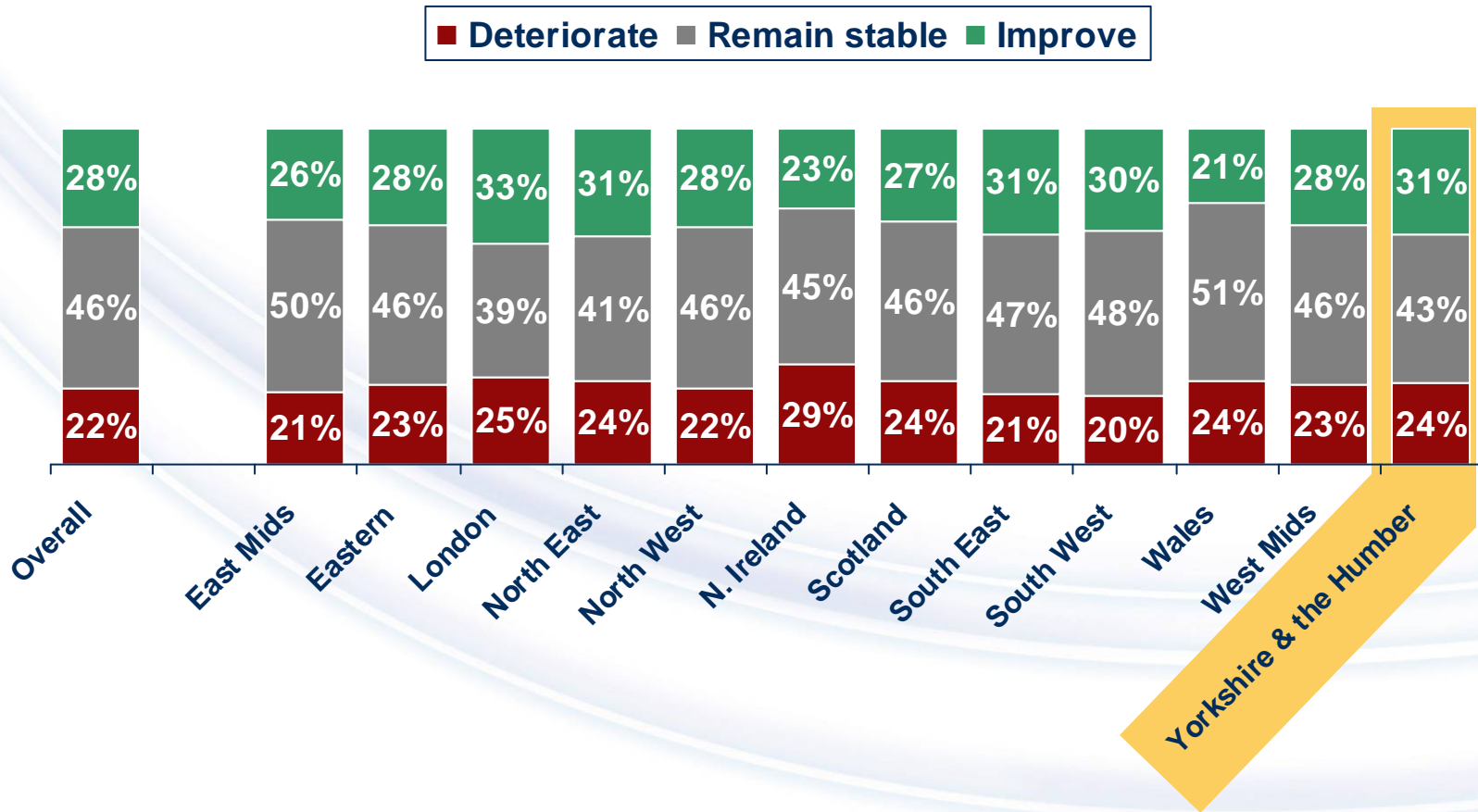
Base: All UK respondents (9,761), Yorkshire & the Humber (716)

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# 43% of Yorkshire & the Humber businesses believe the situation will remain stable in the next 12 months

Expectation for next 12 months, by region/devolved nation



**Q19** Over the next 12 months do you expect the business climate in which your business operates to generally improve, remain stable or deteriorate? **Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

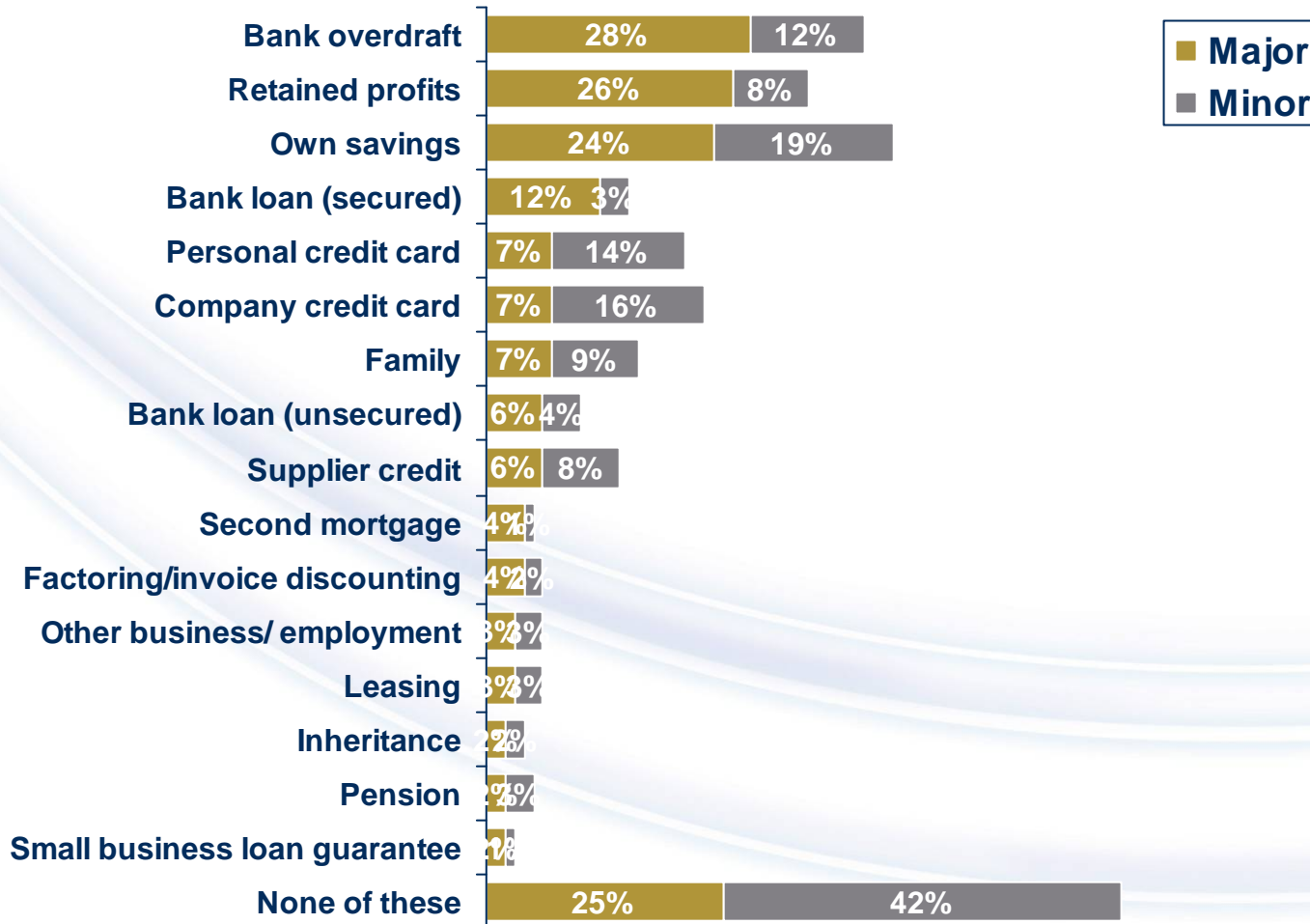




Finance

# Bank overdrafts, retained profits and personal savings are among the most commonly-used sources of business finance in the Yorkshire & the Humber (both major and minor)

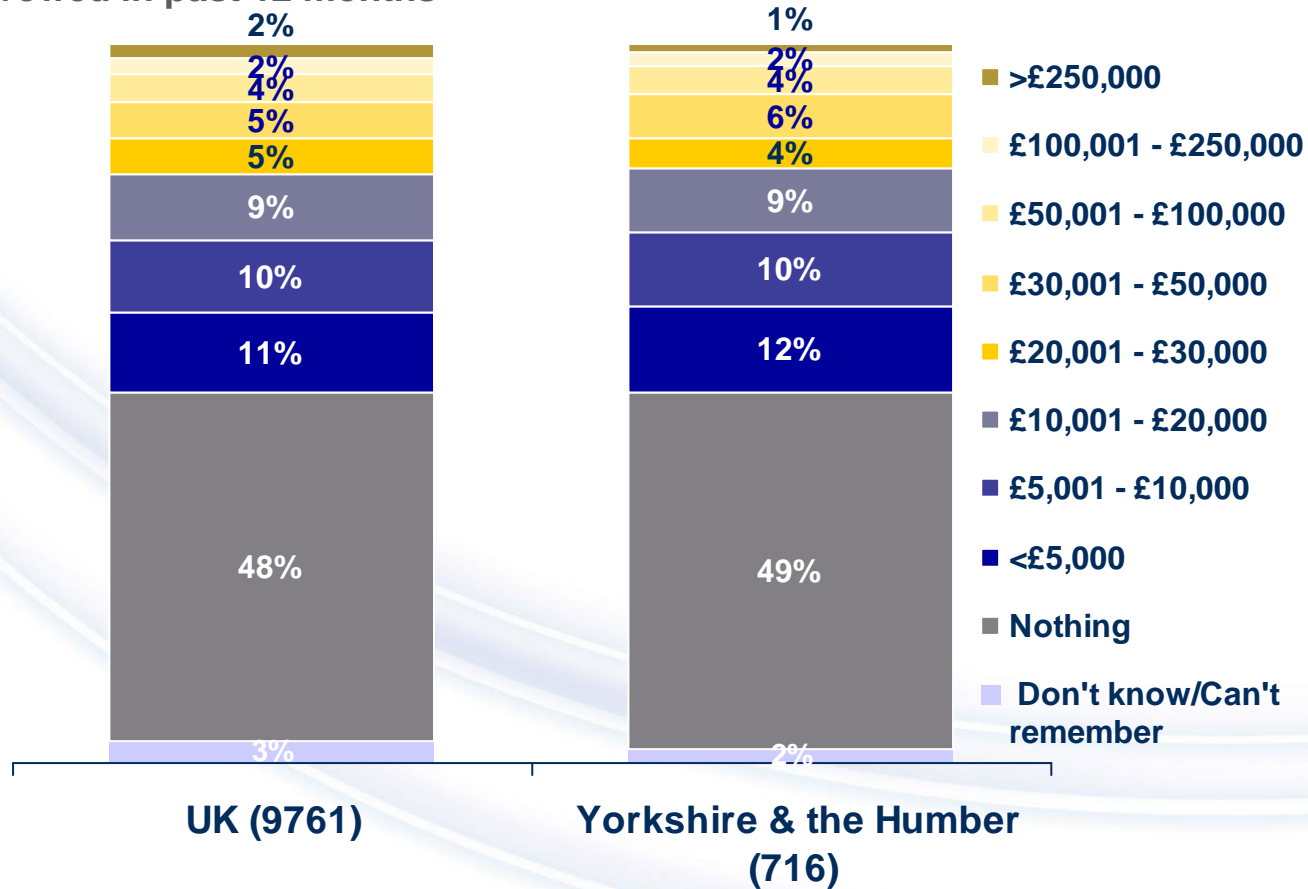
Sources of business finance – Yorkshire & the Humber top answers



**Q20** Which of the following sources have you used to finance the business in the last 12 months? Please indicate whether you regard them as a major financial source (e.g. long-term capital provider), or minor financial source (e.g. small amounts of short-term finance). **Base:** All Yorkshire & the Humber respondents (716)

# Half of Yorkshire & the Humber members have not sourced money from business loans in the last 12 months

Amount borrowed in past 12 months



Mean £25,368

Mean £18,182

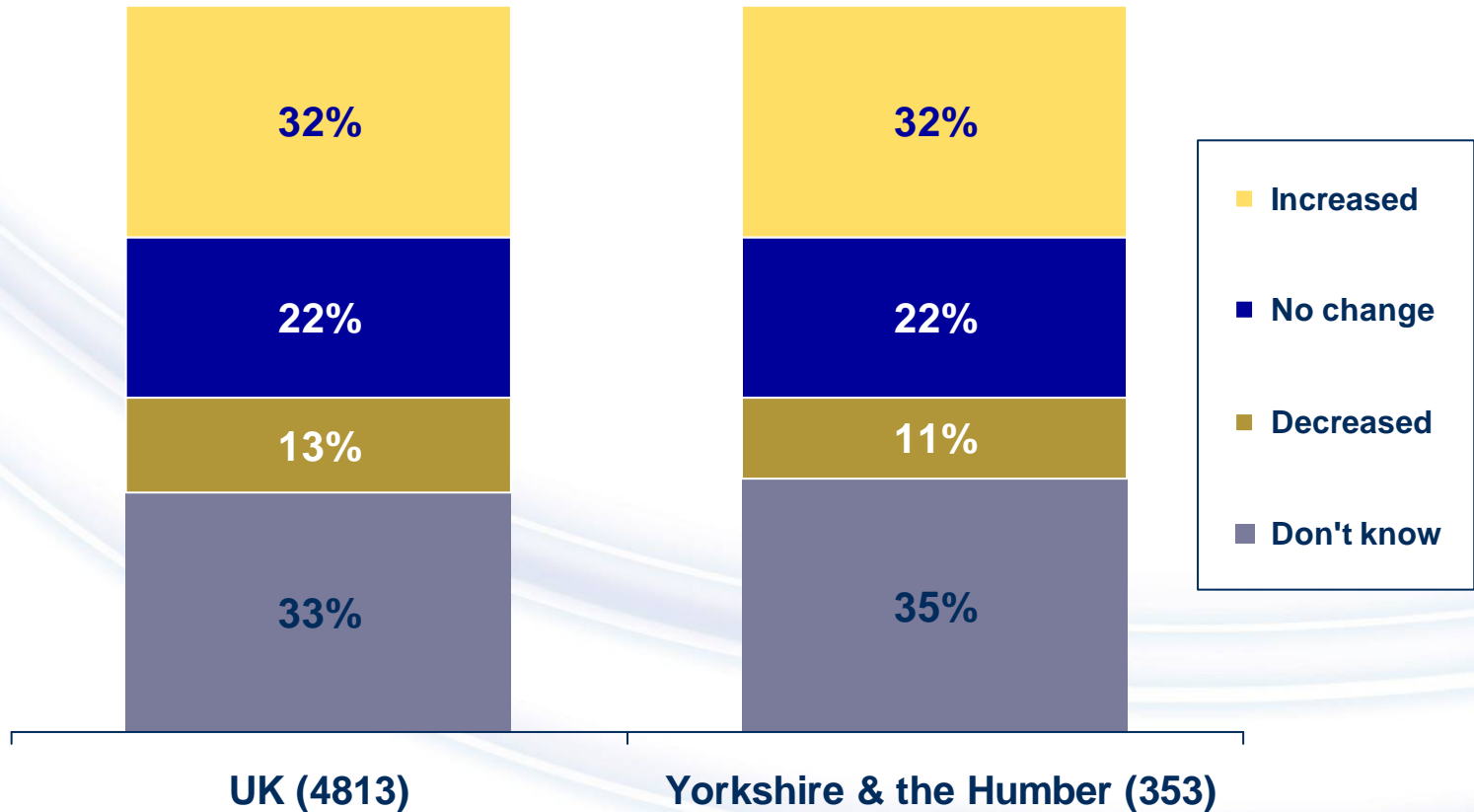
**Q21** Over the last 12 months, approximately how much has your main business borrowed in loans from all sources? **Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

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# A third of Yorkshire & the Humber businesses have seen the interest rates on their loans increase

Change to interest rates on business loans



Q22 Have you experienced any changes in the overall interest rate charged for these products compared to what you were charged in the last few years? **Base:** All respondents who have borrowed loans in the last 12 months (base sizes above)



# Employment

# The number of staff employed by Yorkshire & the Humber businesses has fallen back slightly over the past 12 months but a resurgence is expected in the year to come

Mean number of staff employed

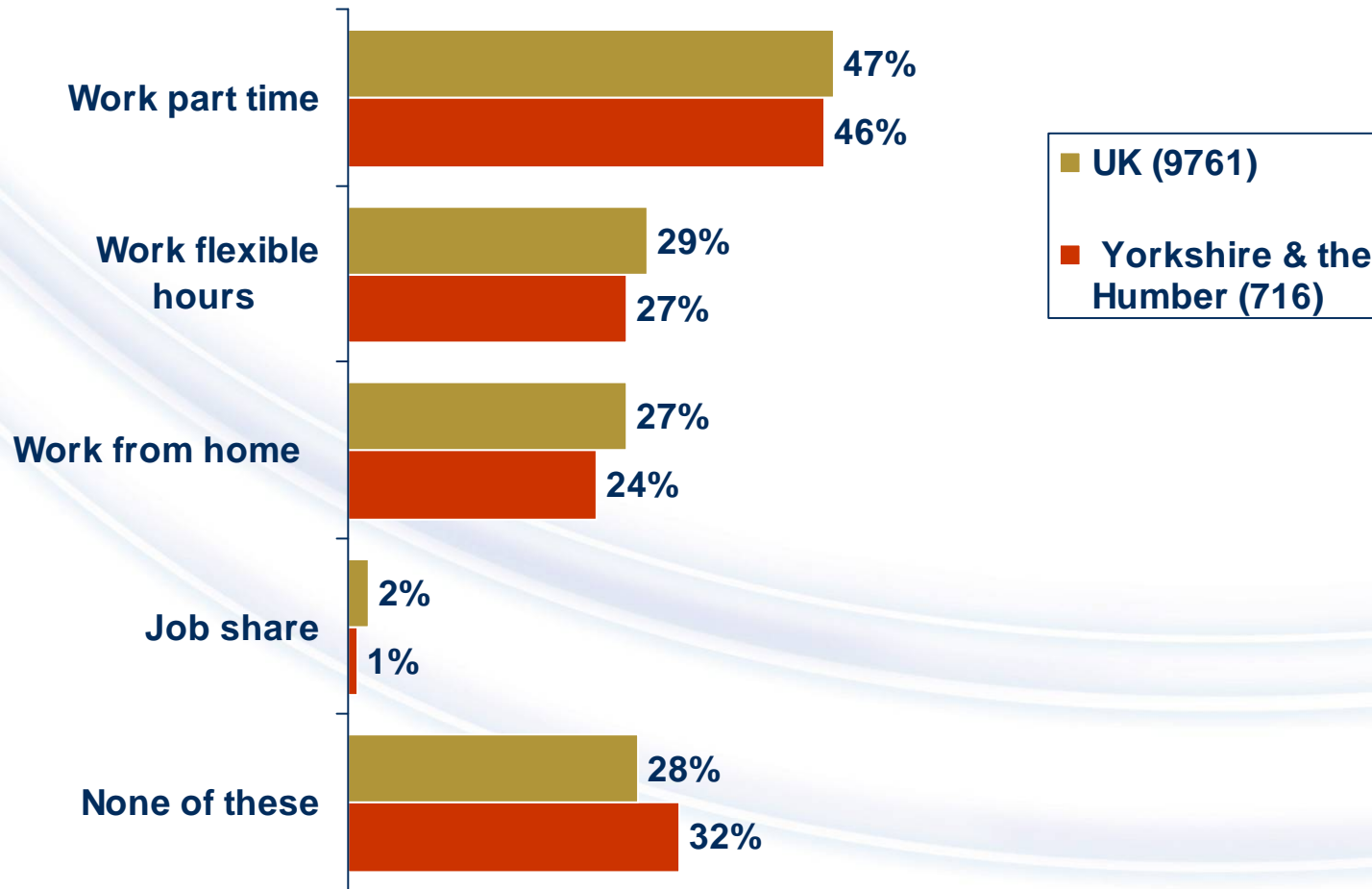


**Q23** How many people are employed in your main business at the moment, and 12 months ago, and in 12 months time? **Base:** All UK respondents (9,761), Yorkshire & the Humber (716)  
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# Almost half of Yorkshire & the Humber businesses have staff that work part-time and three in ten operate flexible working hours

Staff working arrangements



Q24 Do any of the people employed in your business...?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

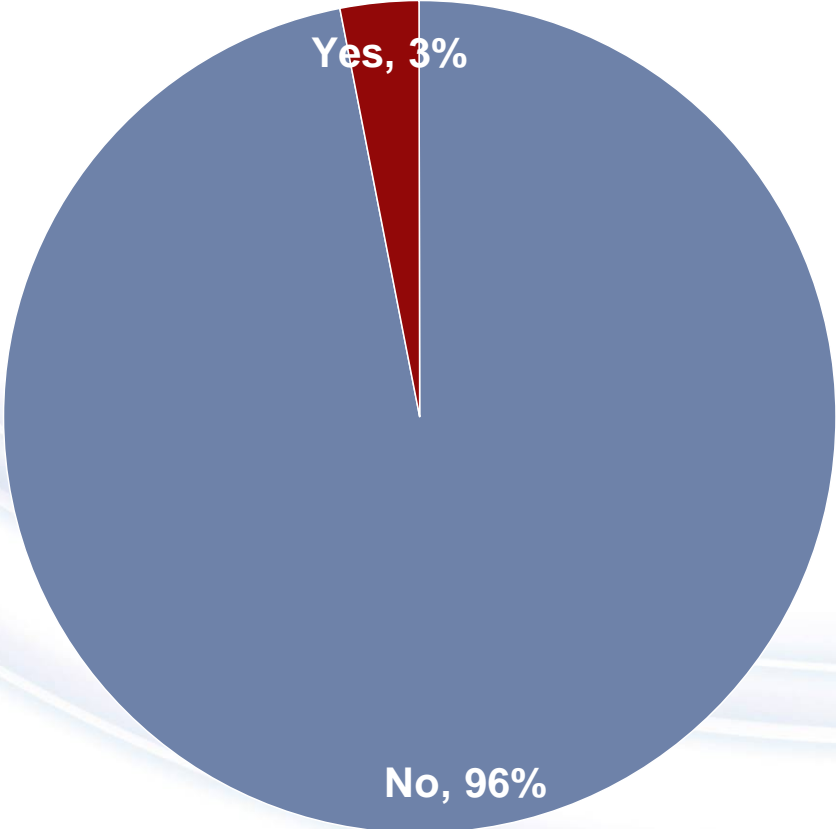
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# 3% of Yorkshire & the Humber business have been before an employment tribunal in the past 5 years

Been summoned before employment tribunal



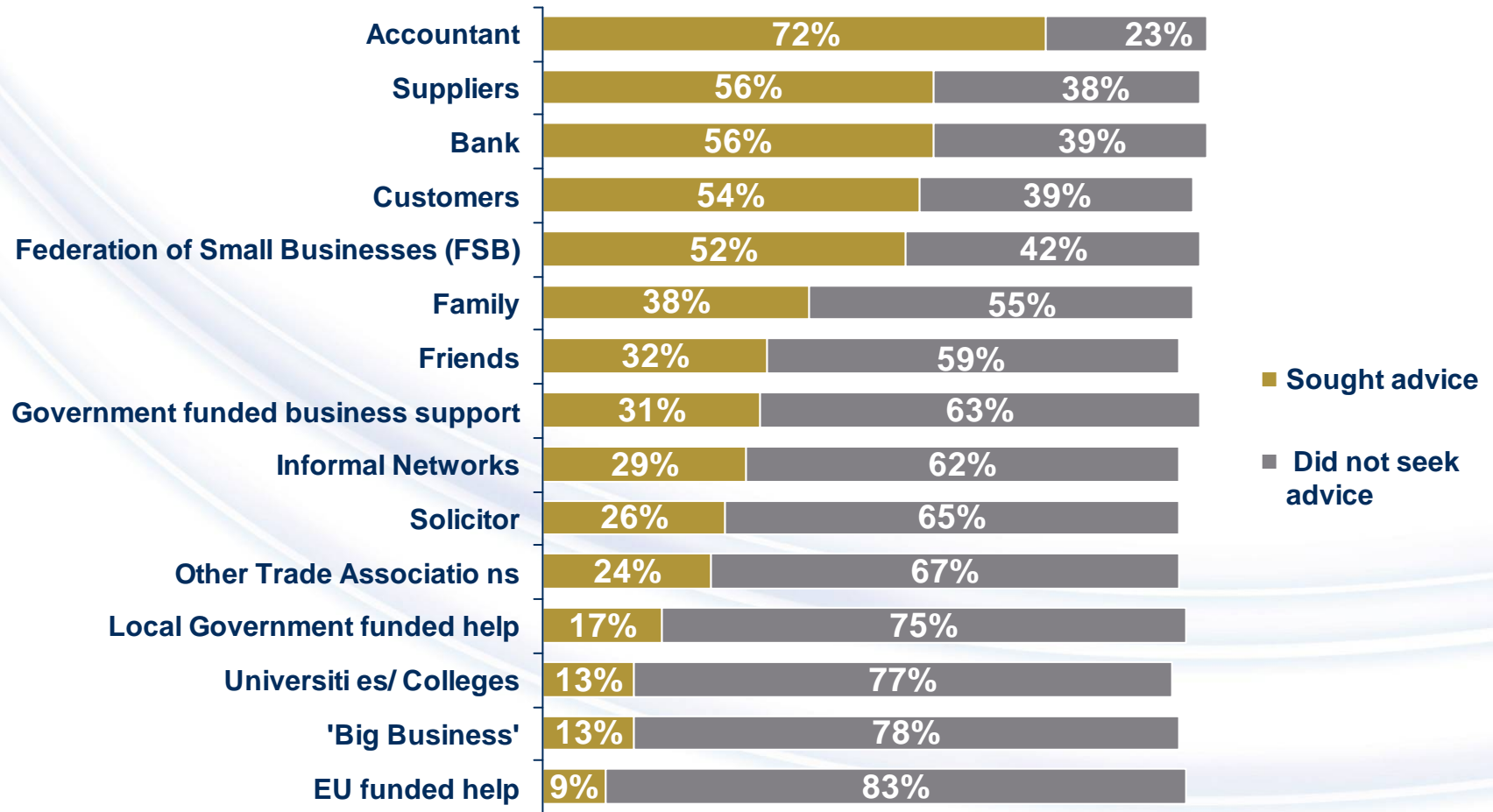


Business Advice & Services

ICM

# Half of Yorkshire & the Humber members have sought advice from the FSB over the last year

## Sources of business support



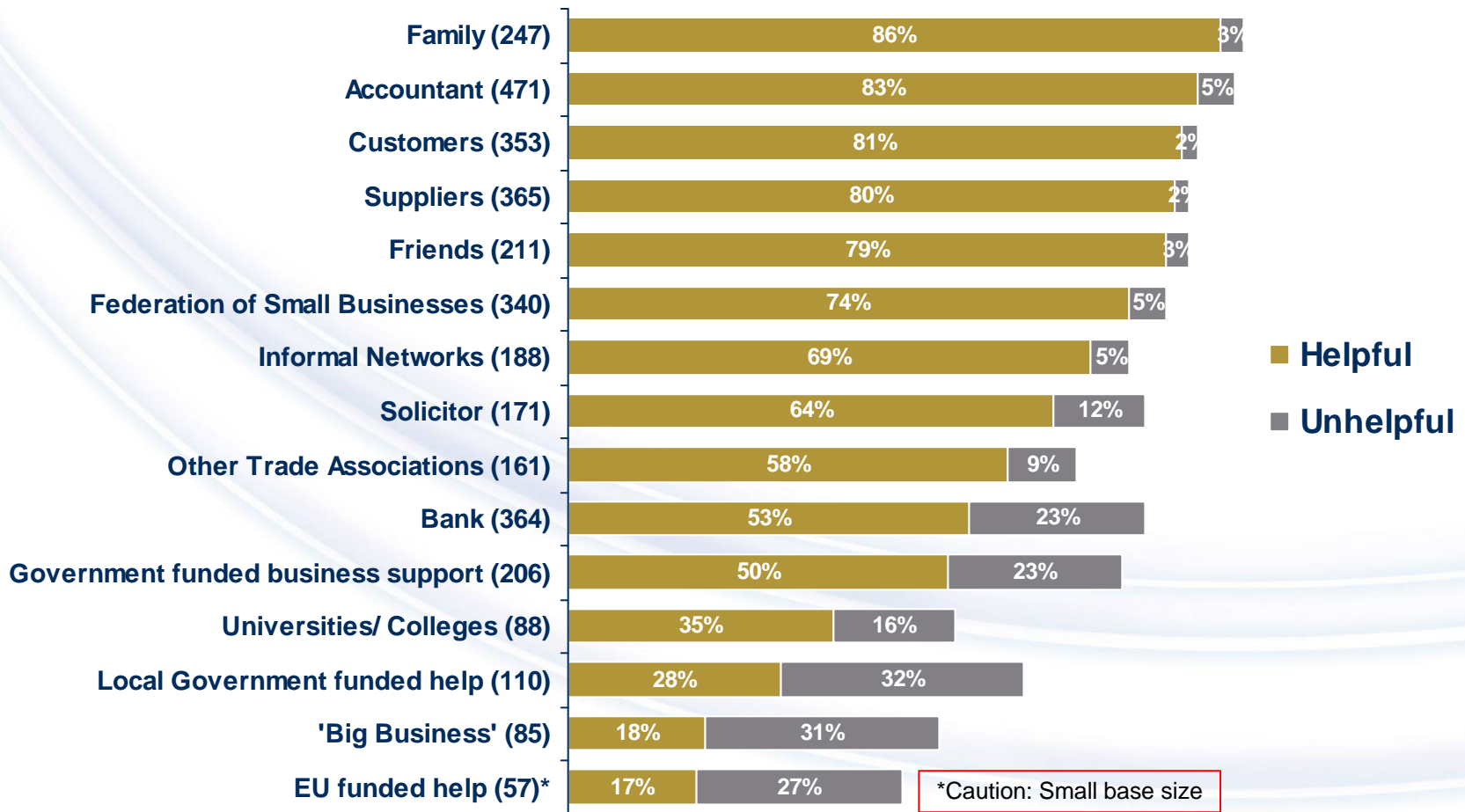
**Q28** During the last year, how helpful have each of the following sources of support been for the overall health of your business? **Base:** All Yorkshire & the Humber respondents (716)

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# Three-quarters of those who went to the FSB for advice in the last year cite it as a helpful source of support

Sources of business support – Yorkshire & the Humber



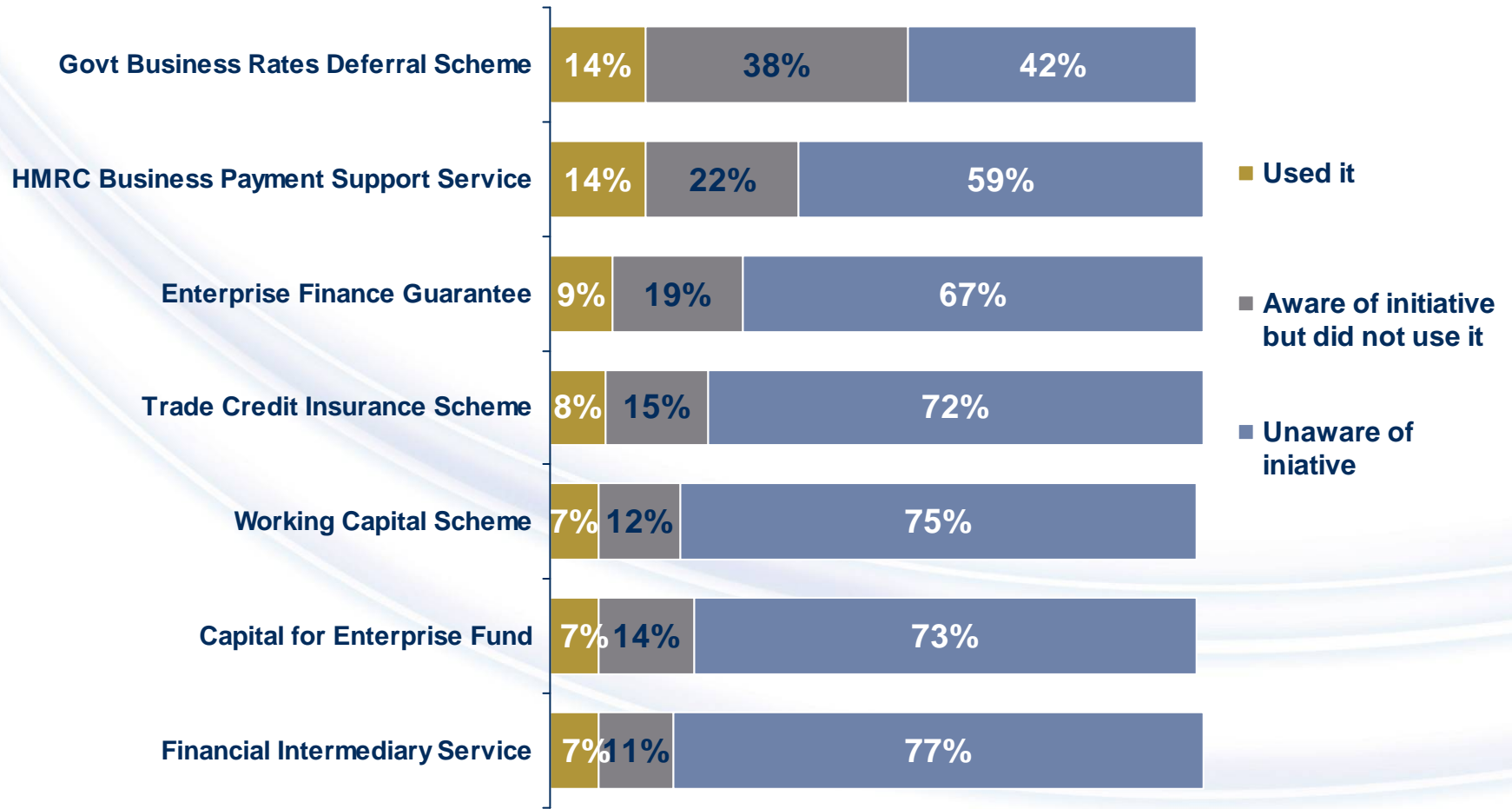
**Q28** During the last year, how helpful have each of the following sources of support been for the overall health of your business? **Base:** All in region who sought advice (base sizes above)

FSB Annual Survey - February 2010 - Yorkshire & the Humber Report



# Low usage and awareness of 'Real Help for Business' government initiatives

Usage and awareness of government initiatives under the 'Real Help for Business' banner

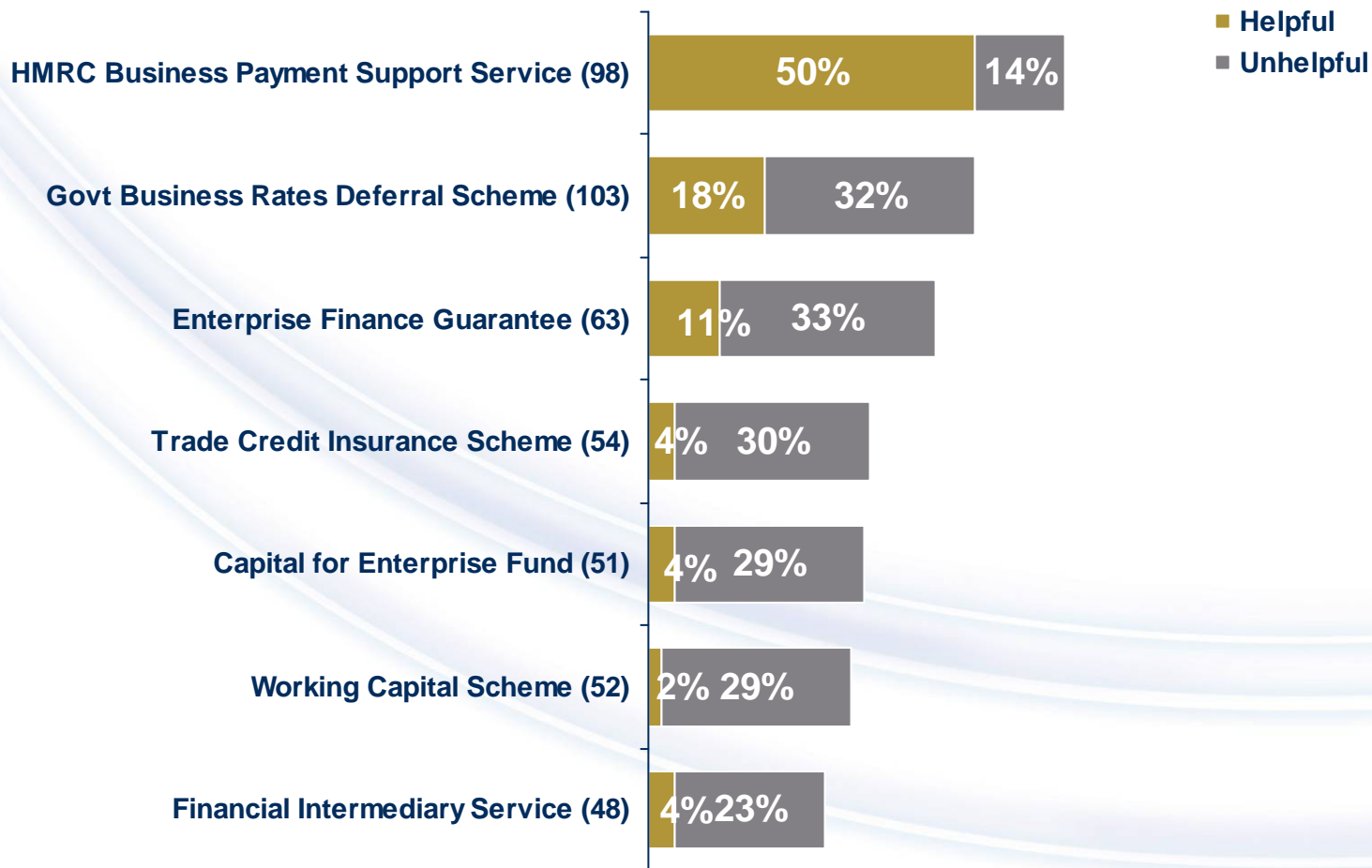


**Q29.** How helpful have each of the following Government initiatives under the 'Real help for Business' banner been for your business during the last year? **Base:** All Yorks & Humber respondents (716)  
 FSB Annual Survey - February 2010 - **Yorkshire & the Humber Report**



# Members are most satisfied with HMRC Business Payment Support Service

Government initiatives under the 'Real Help for Business' banner



**Q29.** How helpful have each of the following Government initiatives under the 'Real help for Business' banner been for your business during the last year? **Base:** All who used initiative (base sizes above)  
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# Environment and a Low Carbon Economy

# While around three fifths agree that energy efficiency can provide cost savings, only a quarter believe there are commercial opportunities to increased environmental awareness

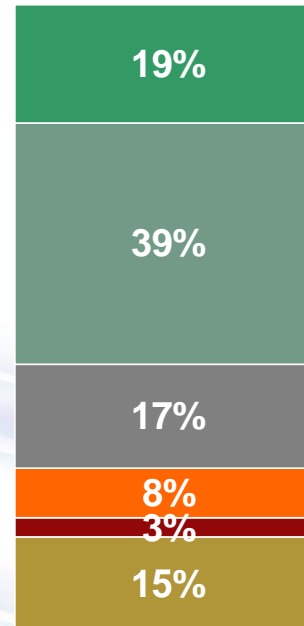
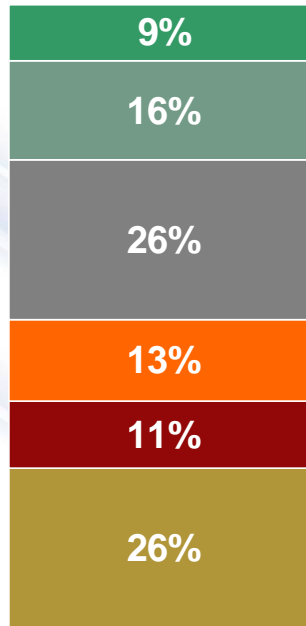
Increased environmental awareness can provide my business with new commercial opportunities

Energy efficiency can provide my business with cost savings

NET: Agree

25%

58%



- Strongly agree
- Tend to agree
- Neither/nor
- Tend to disagree
- Strongly disagree
- N/A Don't know

NET: Disagree

24%

11%

Q30 To what extent do you agree or disagree with the following statements...?

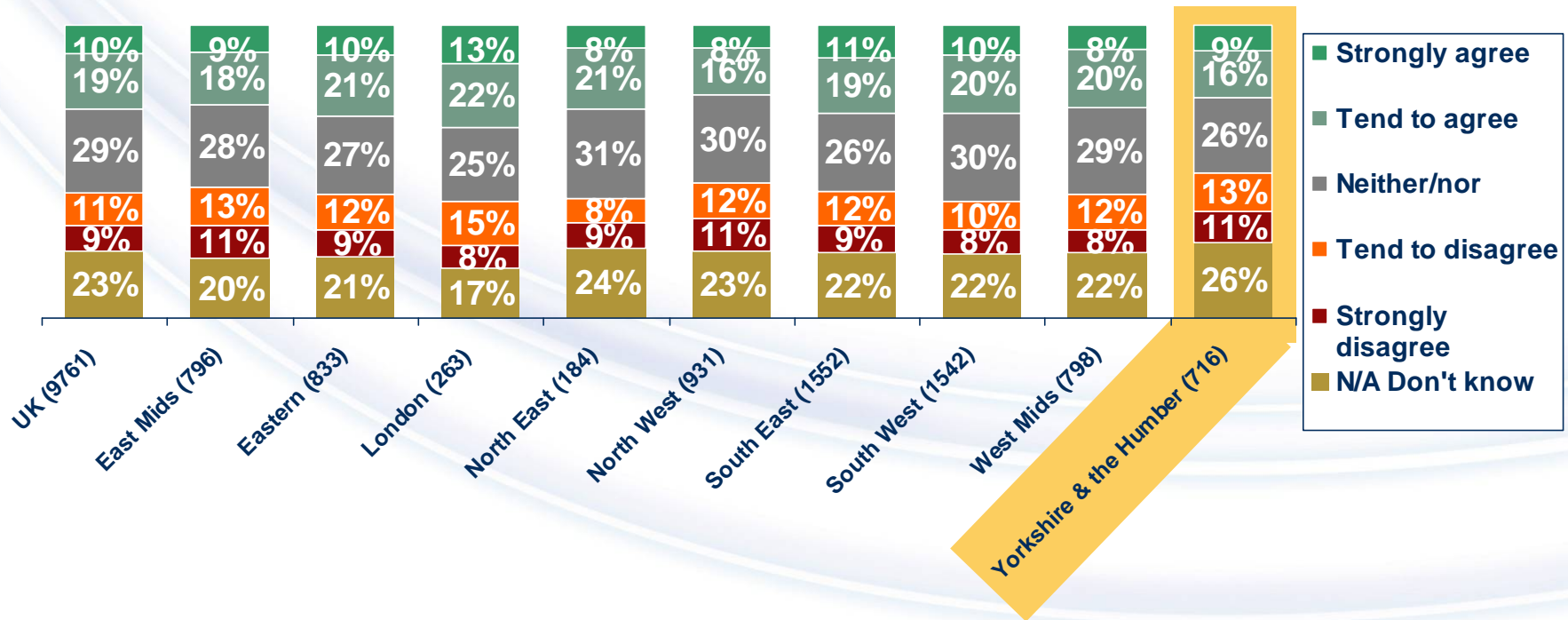
Base: All Yorkshire & the Humber respondents (716)

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# The Yorkshire & the Humber region is around average for the UK in believing environmental awareness can provide business with new opportunities

Agreement with statement “Increased environmental awareness can provide my business with new commercial opportunities”



Q30 To what extent do you agree or disagree with the following statements...?

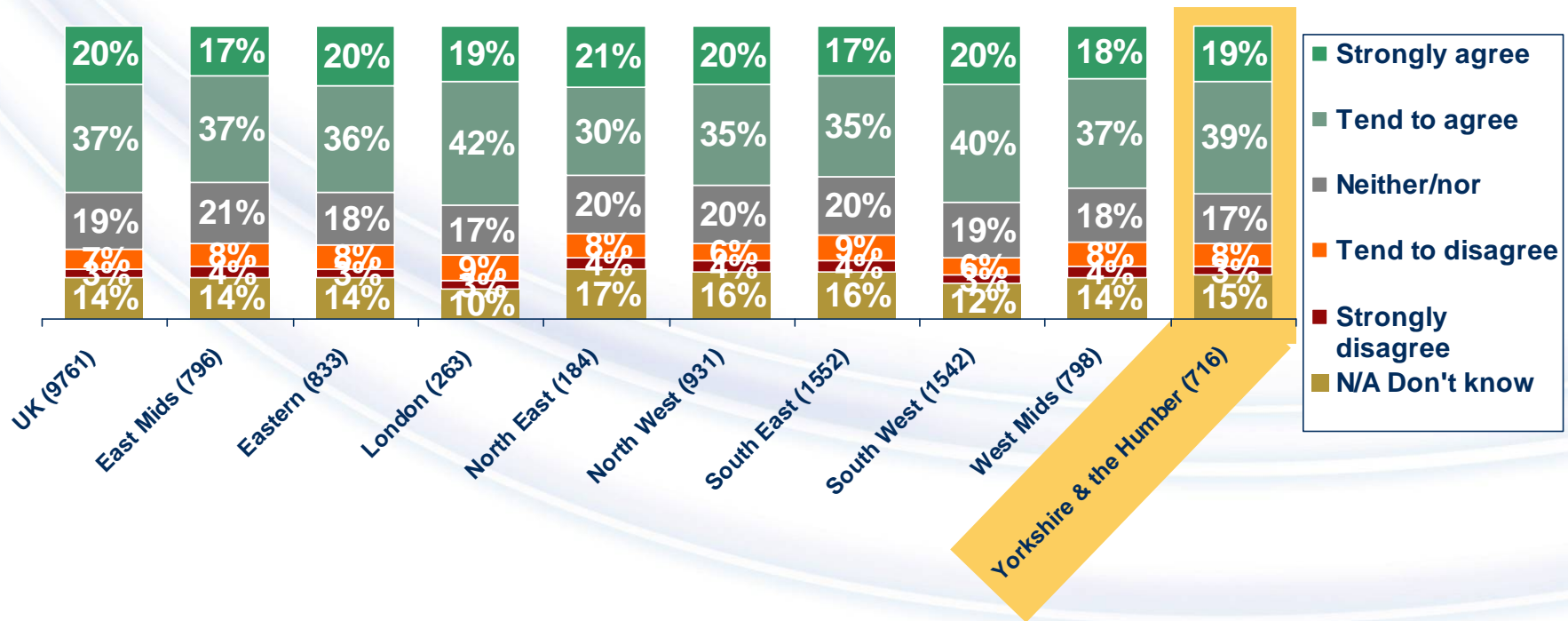
Base: All UK respondents (9,761), Yorkshire & the Humber (716)

FSB Annual Survey - February 2010 - Yorkshire & the Humber Report



# The Yorkshire & the Humber region is around average for the UK in believing energy efficiency can provide business with cost savings

Agreement with statement "Energy efficiency can provide my business with cost savings"



Q30 To what extent do you agree or disagree with the following statements...?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

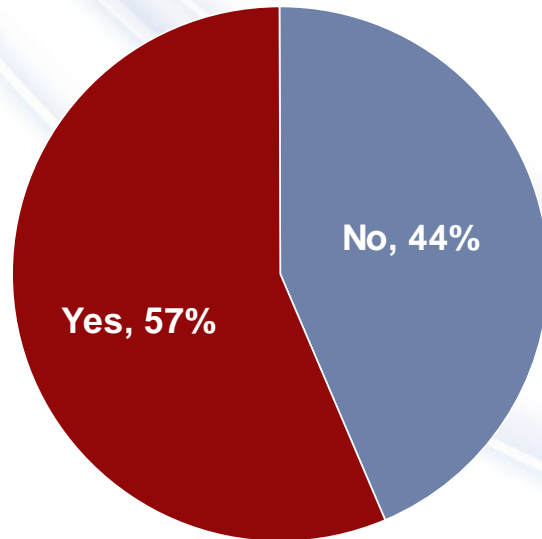
FSB Annual Survey - February 2010 - Yorkshire & the Humber Report



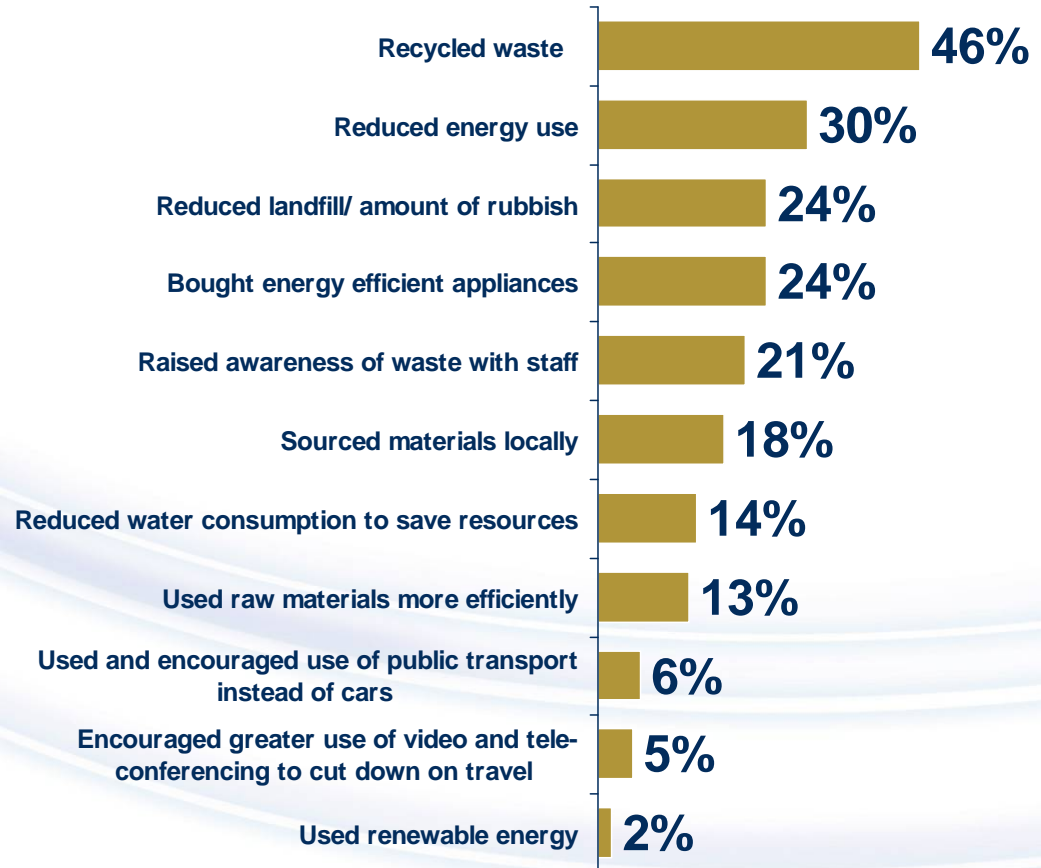
# Over half of Yorkshire & the Humber members have changed the way their business operates because of climate change

Changed the way they operate because of concerns re. climate change

Yorkshire & the Humber



Actions taken in the Yorkshire & the Humber (as a % of all Yorkshire & the Humber members)



Q31 Have you changed the way your business operates because of concerns relating to climate change?

Base: All UK respondents (9,761), Yorkshire & the Humber (716)

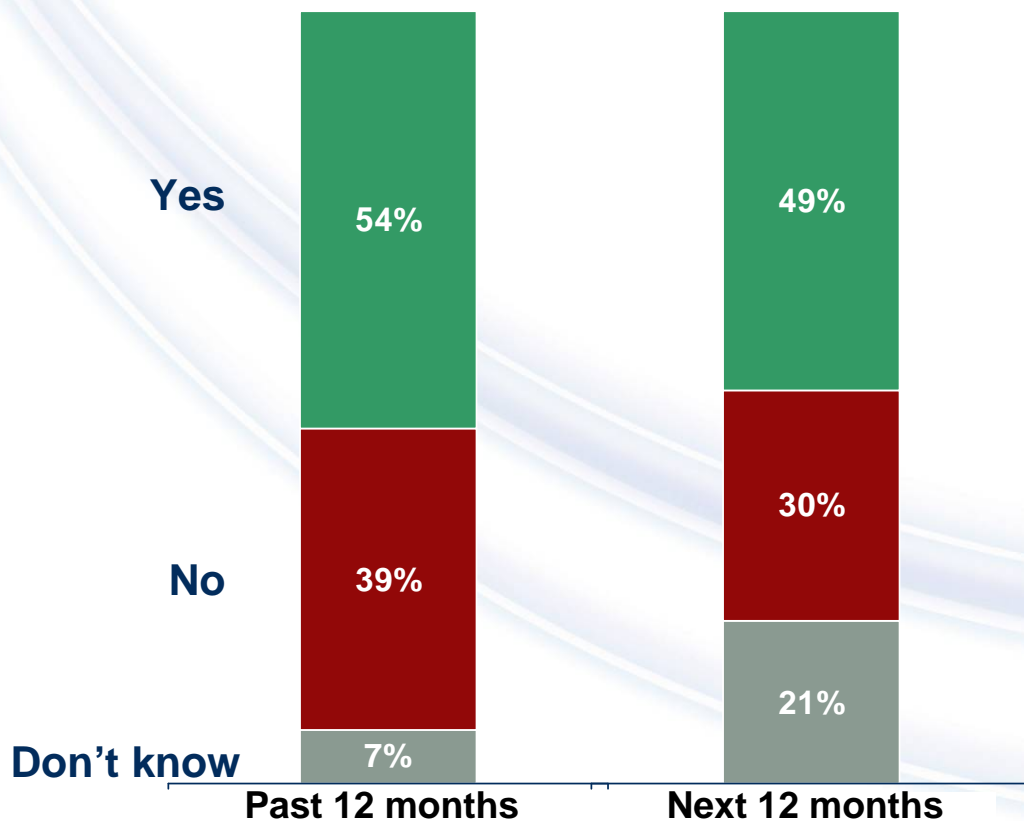


Innovation

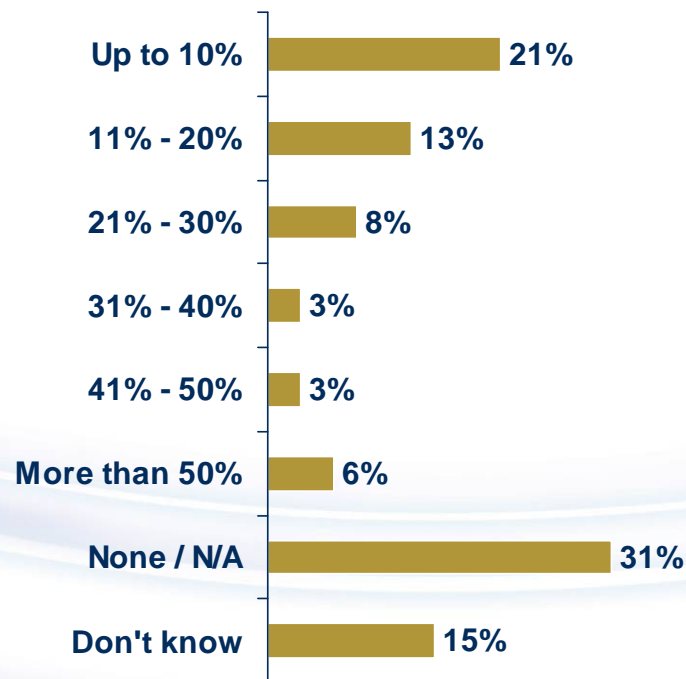


# Over half of Yorkshire & the Humber member businesses have introduced new or improved products or services in the last 12 months and a similar proportion plan to do so over the next year

Yorkshire & the Humber  
Introduction of new/improved products or services



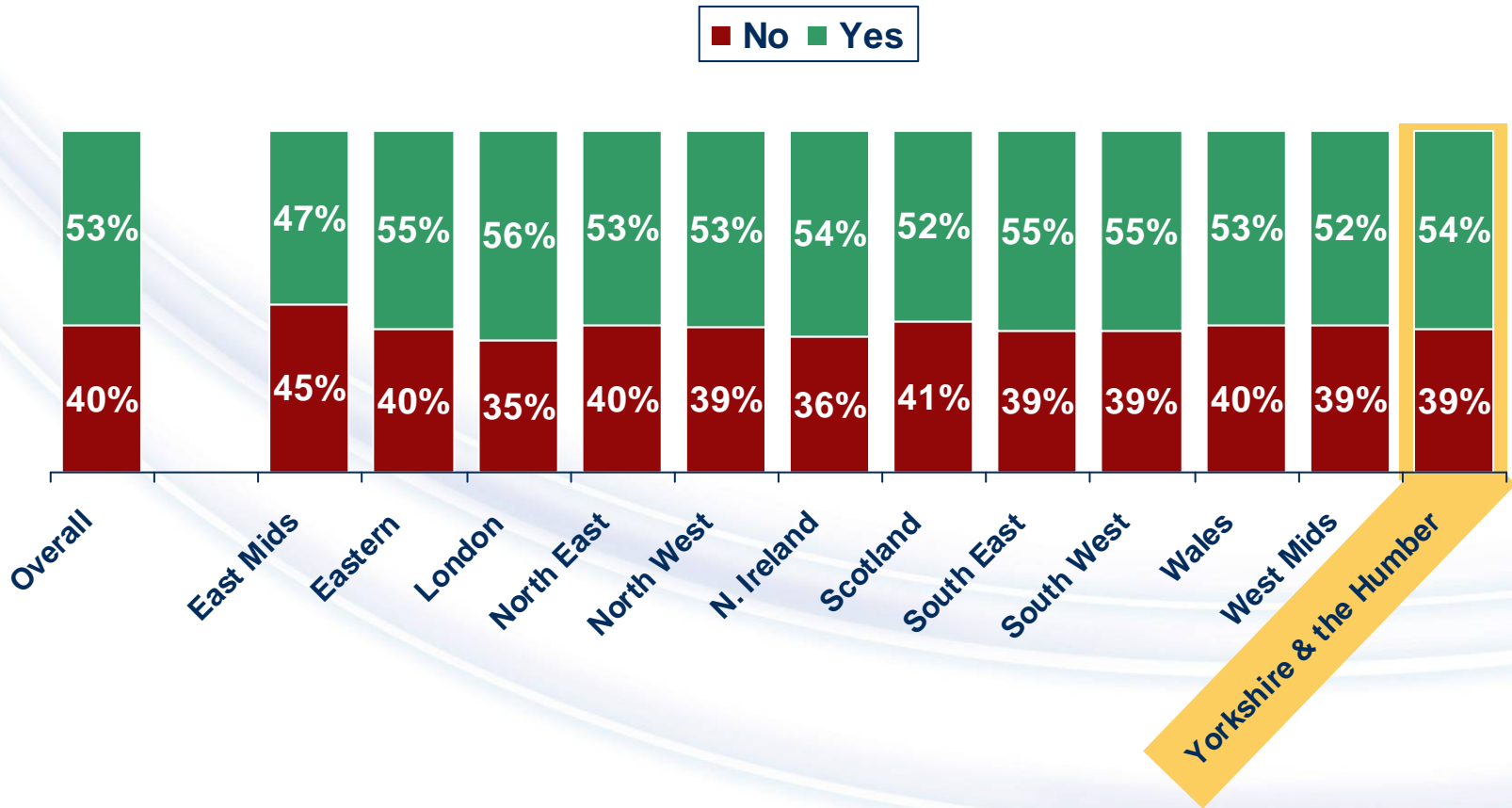
Yorkshire & the Humber  
Revenue from new products or services introduced in last 3 years



**Q32** We'd now like you to think about innovation within your business. Have you introduced new or improved products or services in the past 12 months?/ do you think you will in the next 12 months? **Q33.** What percentage of your revenue comes from new products or services that have been introduced in the last 3 years? **Base:** All Yorkshire & the Humber respondents (716)

# Yorkshire & the Humber members are around the national average in saying they have introduced new products or services in the past 12 months

Introduced new products or services in the past 12 months, by region/devolved nation

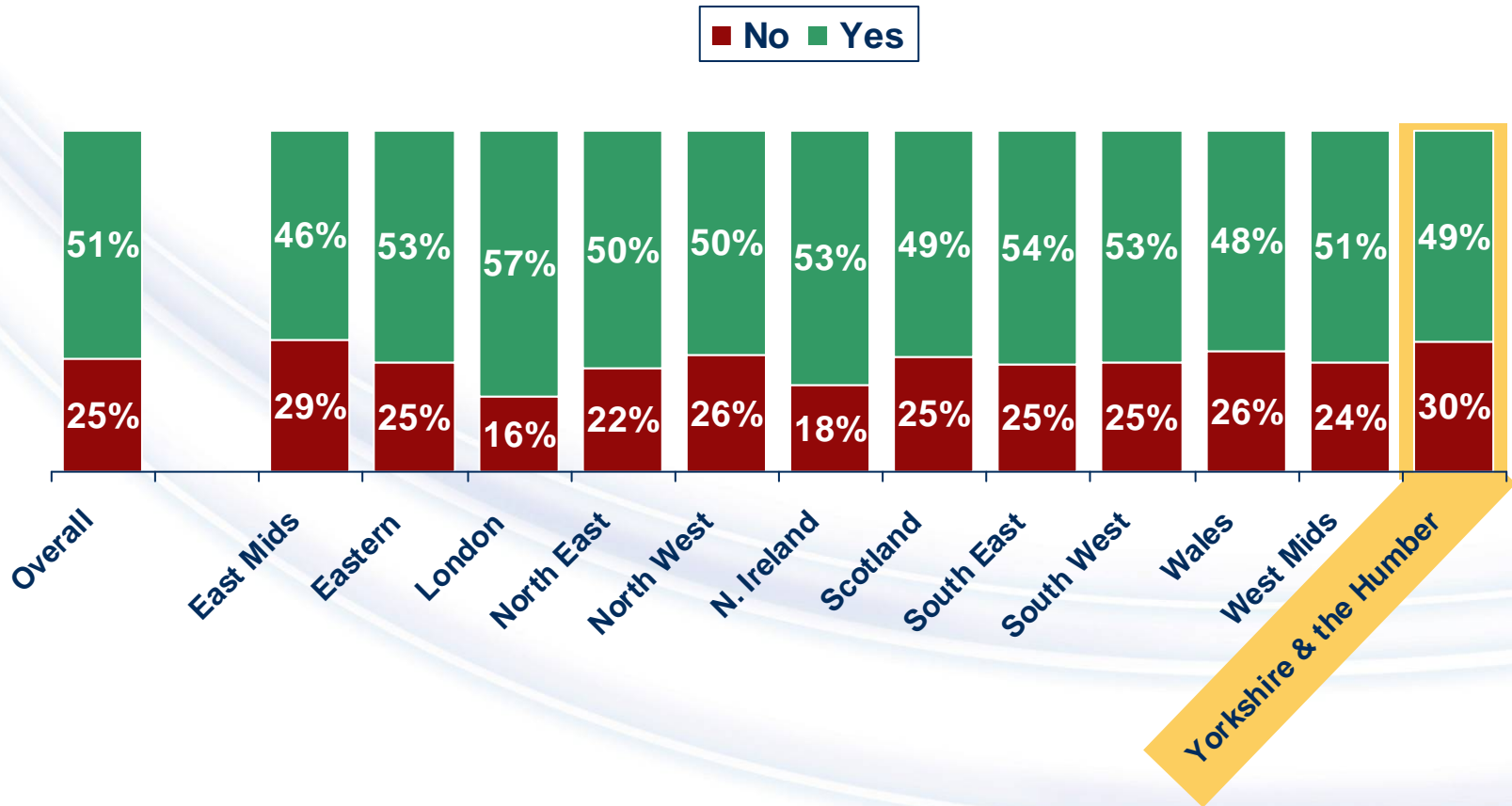


**Q32** We'd now like you to think about innovation within your business. Have you introduced new or improved products or services in the past 12 months?/ do you think you will in the next 12 months?

**Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

# Yorkshire & the Humber members are around the national average in saying they expect to introduce new products or services in the next 12 months

Expect to introduced new products or services in the next 12 months, by region/devolved nation



**Q32** We'd now like you to think about innovation within your business. Have you introduced new or improved products or services in the past 12 months?/ do you think you will in the next 12 months?

**Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

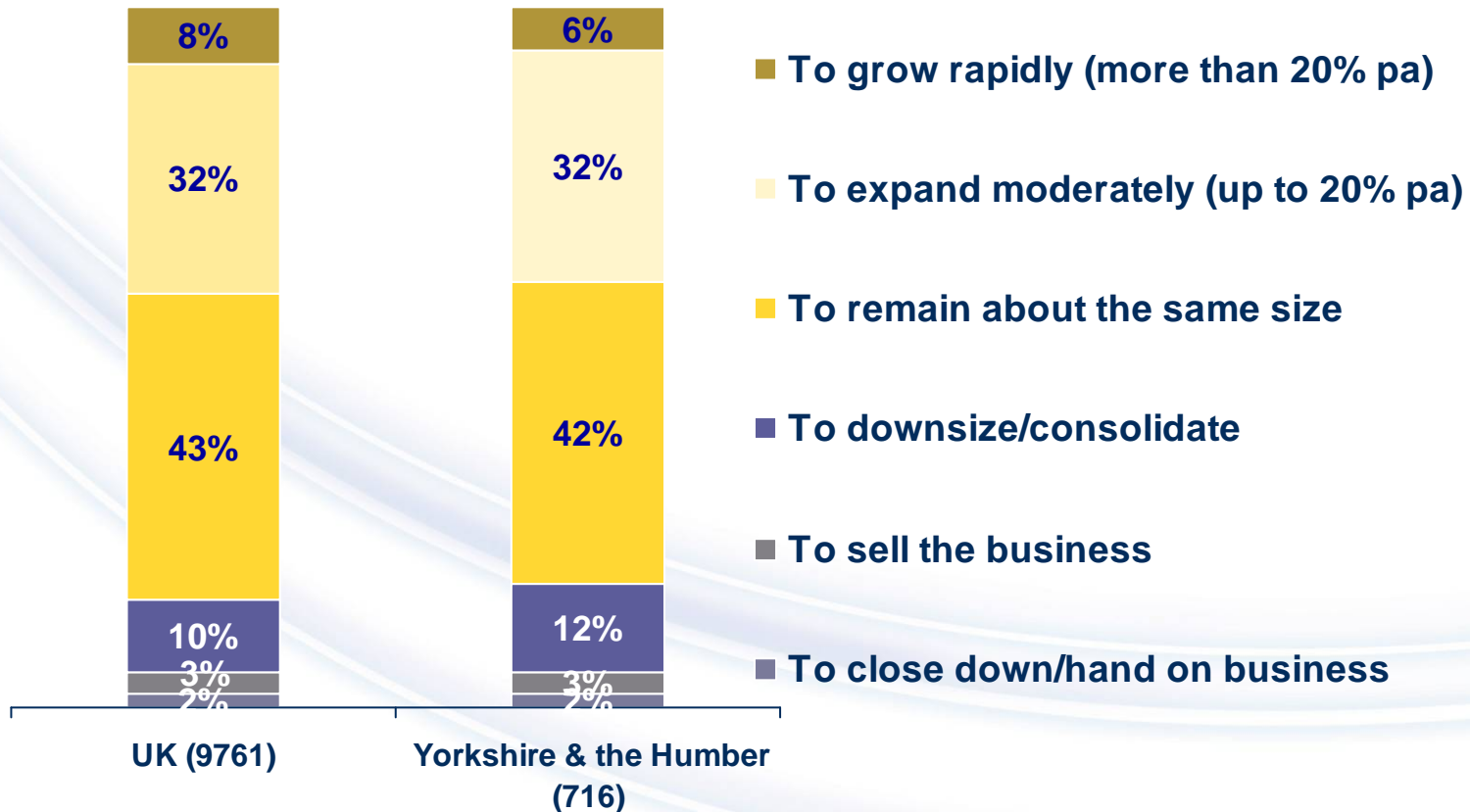


# Future Plans



# Maintaining the business at its current size has been the principal objective for two fifths of Yorkshire & the Humber businesses over the last year

Business objective for the last 12 months



**Q34** What has been your main objective for your main business for the last 12 months?

**Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

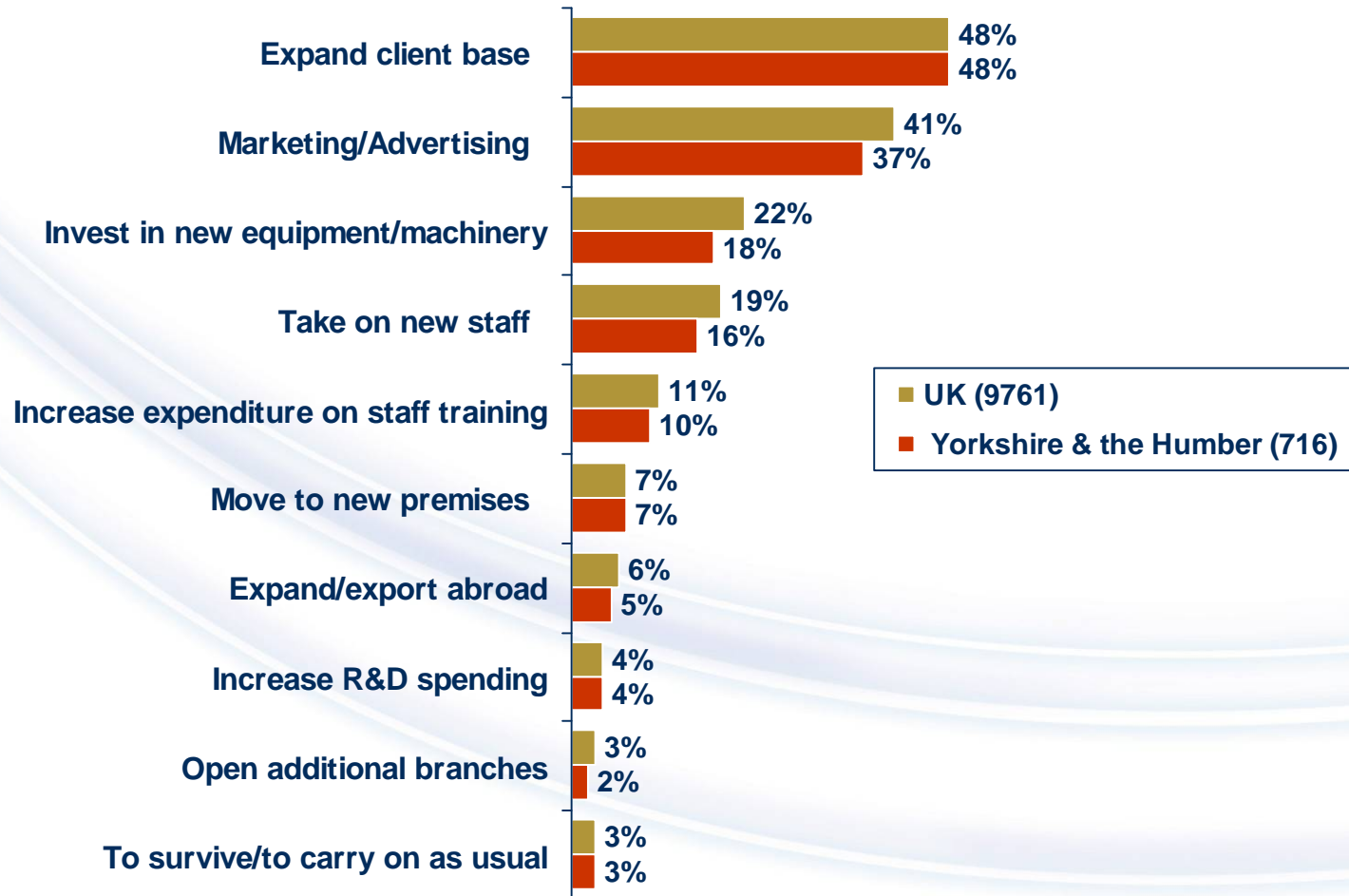
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# Half of Yorkshire & the Humber businesses are looking to expand their client base over the next 12 months. A fifth will be investing in new equipment or machinery

How businesses intend to meet objectives over the next 12 months (top answers)



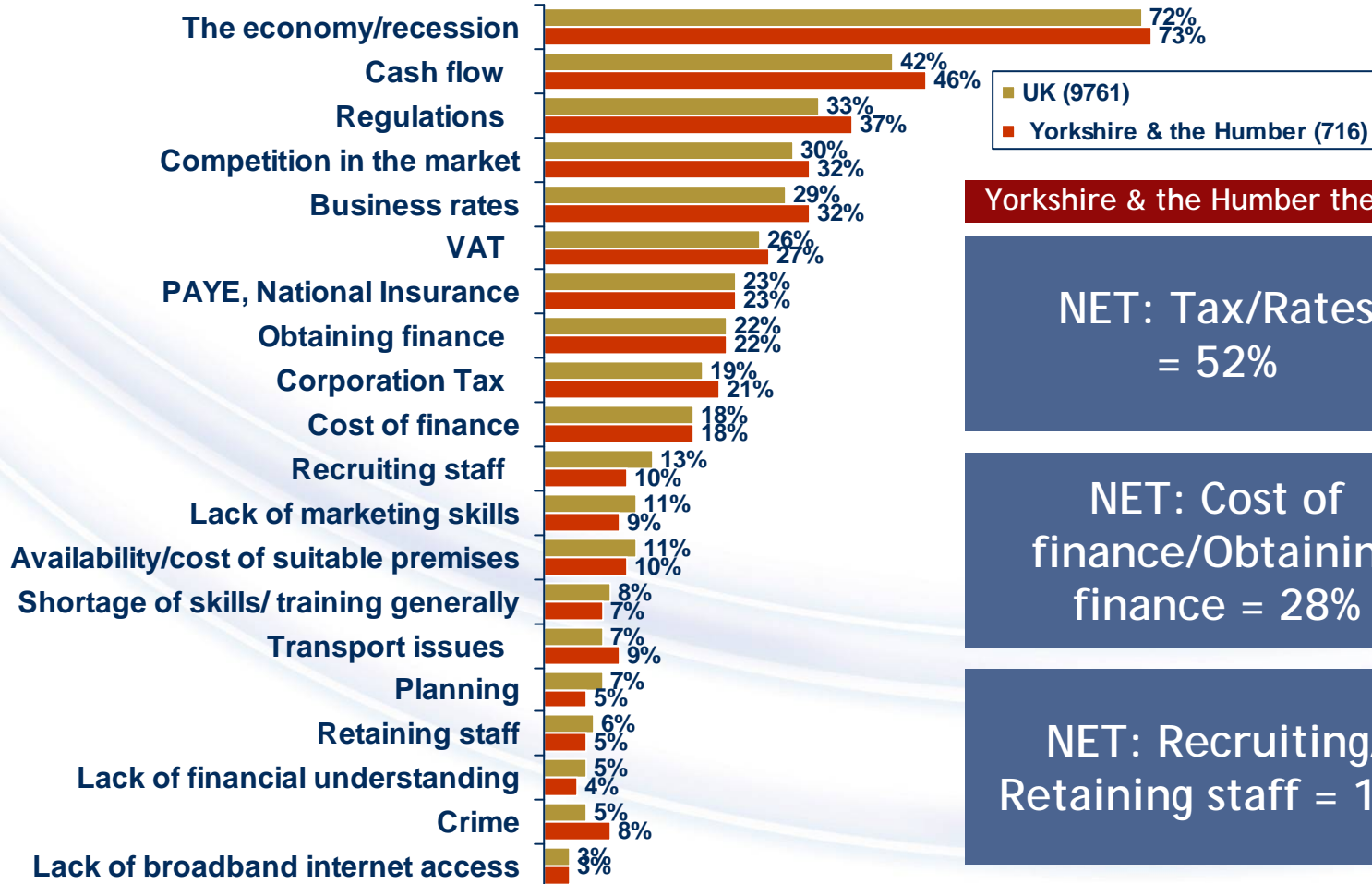
**Q35** Which actions do you intend to take to achieve your objectives over the next 12 months?

**Base:** All UK respondents (9,761), Yorkshire & the Humber (716)



# Just under three quarters of Yorkshire & the Humber businesses cite the state of the UK's economy as the main obstacle they face, with 46% singling out cash flow

## Potential obstacles or difficulties



### Yorkshire & the Humber themes

NET: Tax/Rates = 52%

NET: Cost of finance/Obtaining finance = 28%

NET: Recruiting/Retaining staff = 12%

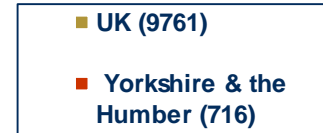
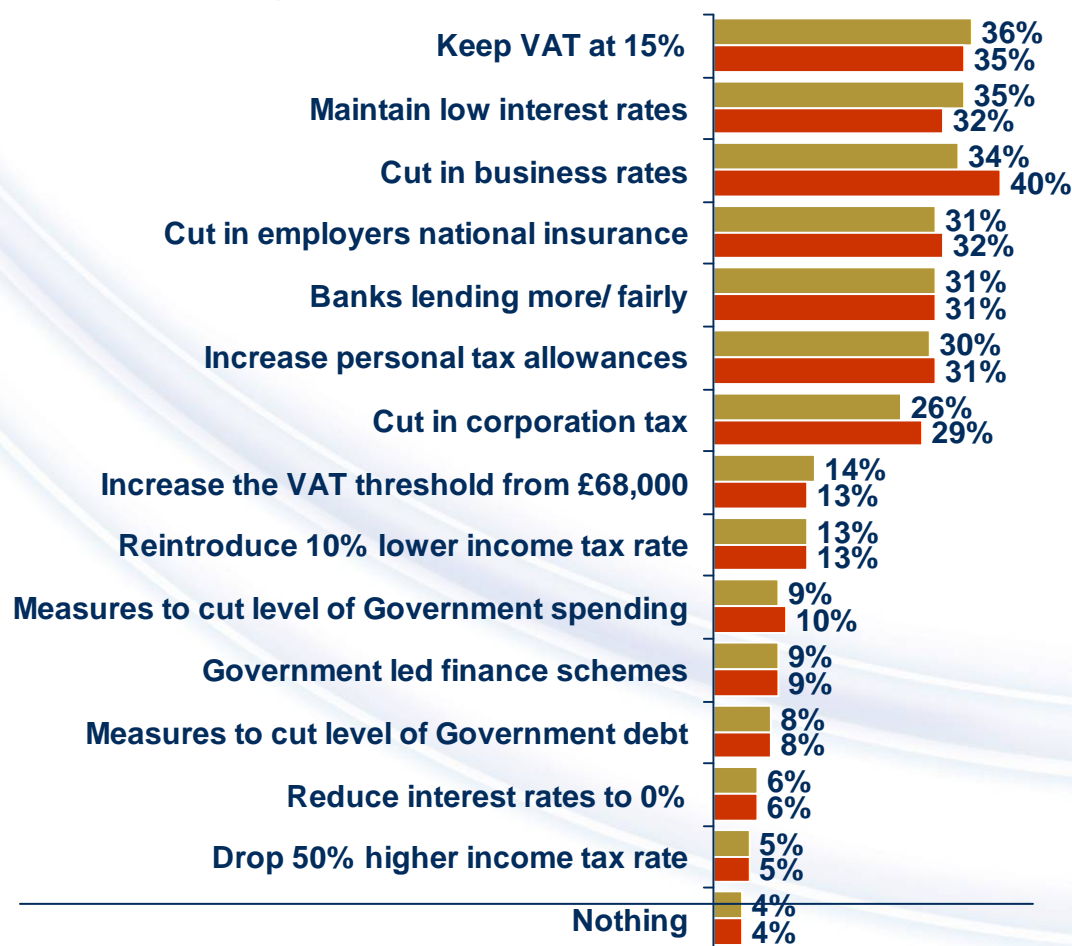
**Q36** What would you say are the main obstacles to the success of your business in general?

**Base:** All UK respondents (9,761), Yorkshire & the Humber (716)



# A third of Yorkshire & the Humber businesses would like to see VAT kept at 15%, while four in ten would like to see a cut in business rates

Options for improving businesses' economic prospects



## Yorkshire & the Humber themes

NET: Reduce Employers' tax burden = 77%

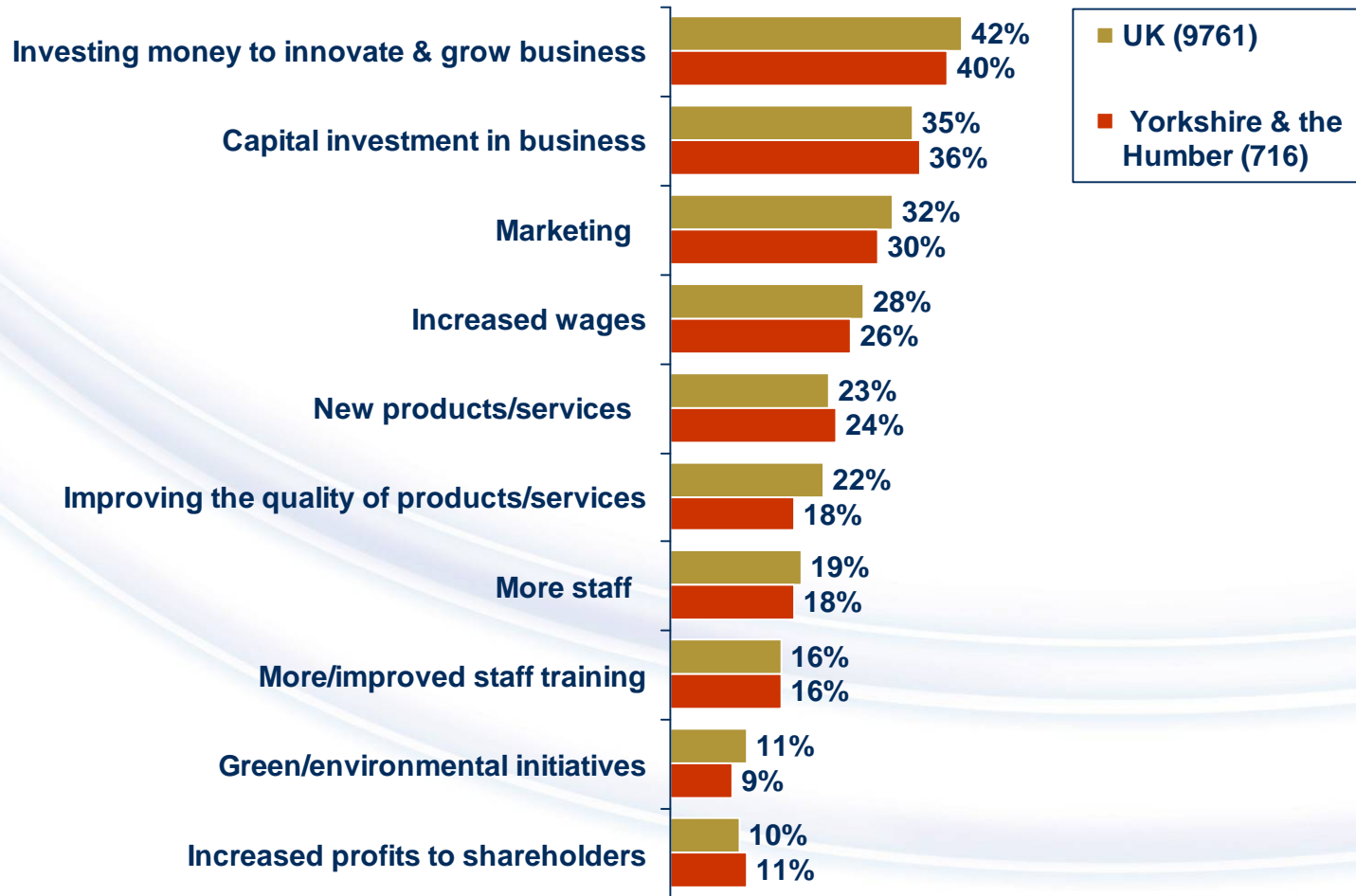
NET: Reduce Employees' tax burden = 38%

Q37 Which 3 of the following options in your view would most improve your business' economic prospects? Please select up to 3 responses. **Base:** All UK respondents (9,761), Yorkshire & the Humber (716)



# Two-fifths of Yorkshire & the Humber businesses would spend more on innovation and growing their business, if taxes were reduced

Potential areas of investment if business taxes were reduced (top answers)



**Q38** If your business' taxes were reduced, what would you spend the saving on?

**Base:** All UK respondents (9,761), Yorkshire & the Humber (716)

FSB Annual Survey - February 2010 - **Yorkshire & the Humber Report**





# Conclusions

# Conclusions

- Over half of business is done in the local area. A tenth of sales are made via the internet.
- Nine in ten members use the internet when running their business.
- The private sector and Government agencies/quangos are most likely to delay payment.
- A fifth (22%) have seen profits grow in the last year. 27 per cent have seen sales rise.
- Two fifths (43%) believe the economic situation will remain stable in the next 12 months. Three in ten (31%) think the business climate will improve.
- Bank overdrafts, retained profits and personal savings are the most commonly used sources of major business finance.
- Members expect to employ slightly more staff over the next 12 months than they do currently (mean of 7.21 compared to 6.37).
- Members tend to seek business support from their accountant, suppliers, bank, customers and the FSB itself.
- Over half of members have changed the way their business operates because of climate change. The biggest alterations are recycling and reducing energy use.
- Half of members have introduced new or improved products/services in the last 12 months. A similar proportion will do so over the next 12 months.
- Maintaining the business at its current size has been the principal objectives for two fifths of businesses. To achieve their objectives members intend to expand their client base and engage in marketing/advertising.
- Cash flow, regulations, business taxes, competition and obtaining/cost of finance are the main obstacles facing members.



**The FSB-ICM 'Voice of Small Business'  
Annual Survey - Yorkshire & the Humber  
February 2010**

Prepared by Guided Insight & ICM Research for the Federation of Small Businesses



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