

## FSB *Voice of Small Business* Panel: May 2011 Survey Topline Results

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- Results are based on an online survey carried out by 1,772 members of the FSB Voice of Small Business Panel. This represents a response rate of 41%.
- Surveys were completed between 11<sup>th</sup> and 24<sup>th</sup> May 2011.
- The national data has been weighted to the membership profile.
- Where results do not sum to 100%, this may be due to multiple responses or rounding.
- Results are based on all respondents (1,772) unless otherwise stated.
- Study undertaken by Research by Design on behalf of the Federation of Small Businesses.

## Section 1- Payment

Q1. What are your payment terms?

Base: 1759

|                              |     |
|------------------------------|-----|
| 30 days (or monthly account) | 57% |
| Nett cash or pre-payment     | 31% |
| 14 days                      | 13% |
| 60 days                      | 4%  |
| 90 days                      | 1%  |
| Other                        | 7%  |

Q2. Within the last 12 months, have you experienced any late payment for your supplied goods and services (beyond the stipulated payment period)?

Base: 1765

|                |     |
|----------------|-----|
| Yes            | 73% |
| No             | 19% |
| Not applicable | 8%  |

## Section 2- Late Payments

Q3. Typically, what proportion of your invoices are paid late, that is beyond the stipulated payment period?

Base: 1292

|             |     |
|-------------|-----|
| 1-10%       | 32% |
| 11-20%      | 17% |
| 21-30%      | 13% |
| 31-40%      | 7%  |
| 41-50%      | 10% |
| 51-60%      | 7%  |
| 61-70%      | 6%  |
| 71% or more | 7%  |

Q4. How has the incidence of late payment for your goods and services changed over the last 12 months?

Base: 1290

|                         |     |
|-------------------------|-----|
| Increased significantly | 23% |
| Increased slightly      | 45% |
| No change               | 29% |
| Decreased slightly      | 3%  |
| Decreased significantly | 1%  |

*Q5. In an average week how many hours does your business spend chasing late payments for supplied goods and services?*

*Base: 1287*

|                   |     |
|-------------------|-----|
| Less than 1 hour  | 42% |
| 1-2 hours         | 32% |
| 3-4 hours         | 16% |
| 5-6 hours         | 5%  |
| More than 6 hours | 5%  |

*Q6. What invoice value is currently outstanding in late payments?*

*Base: 1290*

|                   |     |
|-------------------|-----|
| £0 - none         | 6%  |
| £1 - £4,999       | 43% |
| £5,000 - £9,999   | 14% |
| £10,000 - £14,999 | 9%  |
| £15,000 - £19,999 | 6%  |
| £20,000 - £24,999 | 4%  |
| £25,000 - £29,999 | 3%  |
| £30,000 - £34,999 | 3%  |
| £35,000 or over   | 11% |
| Unsure            | 2%  |

*Q7. In your experience, what types of organisations are most likely to make late payments?*

*Base: 1287*

|                             |     |
|-----------------------------|-----|
| Private sector              | 77% |
| Local authorities           | 13% |
| Educational establishments  | 8%  |
| None of these               | 8%  |
| Government agencies/Quangos | 7%  |

|                             |    |
|-----------------------------|----|
| Central/devolved government | 5% |
| NHS                         | 5% |
| EU institutions             | 1% |
| Police/fire service         | 1% |
| Olympics                    | -  |
| Unsure                      | 7% |

*Q8. Over the past 12 months, what is the value of invoices/bad debts that you have written-off due to non-payment?*

*Base: 1293*

|                   |     |
|-------------------|-----|
| £0 - none         | 33% |
| £1 - £4,999       | 47% |
| £5,000 - £9,999   | 9%  |
| £10,000 - £14,999 | 3%  |
| £15,000 - £19,999 | 2%  |
| £20,000 - £24,999 | 2%  |
| £25,000 - £29,999 | -   |
| £30,000 - £34,999 | 1%  |
| £35,000 or over   | 2%  |
| Unsure            | 1%  |

*Q9. Have you ever charged interest or a fine for a late payment for supplied goods or services?*

*Base: 1292*

|                                |     |
|--------------------------------|-----|
| Yes, within the last 12 months | 16% |
| Yes, within the last 5 years   | 10% |
| Yes, more than 5 years ago     | 2%  |
| No                             | 72% |
| Don't know                     | -   |

*Q10. What is the impact of late payment on your business?*

*Base: 1291*

|                                   |     |
|-----------------------------------|-----|
| It reduces business profitability | 43% |
| I am late paying suppliers        | 38% |
| It curtails business growth       | 30% |
| It leads to additional borrowing  | 29% |
| It restricts productivity         | 19% |
| I have difficulties paying staff  | 17% |
| Other                             | 9%  |
| No impact/ Not applicable         | 11% |