

PROMOTR



Big Promotions
for Small Businesses

Happy Small Business Report

27th May 2009

A collection of positive statistics on small businesses in the UK

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Introduction

Whilst the recession has been a difficult time for everyone, if we all focus on the negative then we are missing the bigger picture. Small businesses are the lifeblood of the UK economy. If 33% of SME's who went for a loan didn't get it, then the good news is that 67% did. And if 30% of small business thought they were either going to break even or make a loss in 2009 then the good news is 70% expected to be in profit in 2009.

Acting positively in a recession is essential for survival and thriving post recession. For example, according to Nigel Hollis, Chief Global Analyst at the Millward Brown research company, an increase in marketing spend during a recession can gain a long-term advantage for a brand^a. And Harvard agrees, John Quelch, a marketing professor from Harvard states that successful companies do not abandon their marketing strategies in a recession^b.

So we have put together a set of positive facts about small businesses and small and medium sized enterprises. All the information is from freely available, published, authoritative sources showing that if you look the positive information is out there.

Essential information

When we mention...

Different business sizes:

Micro employers have 0-9 employees; small sized employers have 10-50 employees. The sum of these is termed 'small businesses'.

Reference to SME's refers to the 1.2 million companies with 1-249 employees, so excludes sole traders. (The vast majority of small businesses are businesses with zero employees, sole proprietorships, partnerships comprising only the self-employed owner-managers, or companies comprising only an employee director. Just over a quarter (26%) are SME employers, and of these just over 1 million are micro employers, 167,000 are small-sized employers, and 27,000 are medium-sized employers.)

Look out for...

Star stats: Are statistics highlighting an interesting or important statistic for the section.

^a Millard Brown's POV April 2008

^b Harvard Business School Working Knowledge 3 March 2008

Small business is big business

Star stat: There are 4.7 million small businesses in the UK¹.

Businesses with 0-249 employees, account for 99.9% of all enterprises².

- Small firms employ more than 58% of the private sector workforce¹
- 13.5 million people work in small firms¹
- Small firms contribute more than 50% of the UK turnover¹
- 15% of all SME employers are new businesses, and nine out of ten (89%) of these were micro employers with fewer than ten employees, compared to 83% of established businesses². (This survey defined new businesses as those trading for less than four years or those which have changed ownership in the last three years)
- Over 500,000 people start up their own business every year¹ and more businesses started in comparable quarters in 2008 to 2007³
- Women-led businesses were more likely than others to be new businesses, 21% compared to 14% respectively²

Small businesses in a big world

Star stat: 36% of small businesses felt they were detecting signs of recovery in trading conditions in April 2009⁴

- 20% of SME employers reported that they benefit from increased globalisation, with 13% reporting they benefit a bit, and 7% benefiting a lot²
- 76 % of SME employers are confident that their businesses will be trading in 12 months time with confidence highest in the service sector with 81% still expecting to be trading in 12 months time⁵

Small businesses are growing

Star stat: 66% of SME employers reported a profit in 2008.

40% made more profit in 2008 than 2007⁵

- 70% of small businesses still expect to make a profit in 2009⁵

Those who have public sector clients are significantly more likely to grow their business⁵

- Over the last three months leading to April 2009, over 30% of small businesses reported they had grown, with over 14% expanding over 5%. Over 40% of small businesses expect to expand over the next 3 months⁴
- 42% of exporters have seen their turnover increase⁵ and four out of five exporters (79%) were aiming to grow their business over the next few years²
- 84% of new employer businesses anticipate growth ahead²
- 71% of SME employers in deprived areas aim to grow their business over the next two to three years²
- 71% of SME employers in the South East are aiming to grow their business in the future²

Small businesses are innovating

Star stat: 64% of commercial innovations come from small firms²

- Just under half (45%) of SME employers claim to have introduced new or significantly improved products or services in the last year (to end of 2008)⁵

Of these, a quarter said that the product or service was completely new, with the remainder saying it was new to the business²

- Innovation was a common motivation for attempting to raise new finance²
- One third (38%) of SME businesses said that they had introduced new or significantly improved processes in the last year (to end of 2008)⁵ which is an increase of 5% on the 2007 survey²

And if you are in the primary/manufacturing sector you are more likely to have improved processes (52%), and among exporters even more (53%)⁵

Small businesses can access money

Star stat: Most SME employers claim they have a good relationship with their bank (71%). Only 9% have a poor relationship.

- About 70% of SME businesses who sought to raise finance had no difficulties doing so from the first source they approached^{2,5}
- The main reasons given by SME employers for attempting to obtain finance include:
 - acquiring capital equipment or vehicles, 26% (31% in 2006/07)⁵
 - buying land or buildings, 10% (14% in 2006/07)⁵
 - improving buildings, 8% (7% in 2006/07)⁵
- The levels of banks lending to small businesses rose by £235m to £54.2bn in January 2009⁶

Small business folk are important

Star stat: 24% of small businesses reported taking on more staff in the last three months up to April 2009 and 16% plan to take on more staff in the next three months⁴

- 12% of SME employers reported that their employment level had increased in the 12 months to end of 2008 and 37% have recruited new staff⁵
- In addition 14% of SME employers think they will employ more staff in a year's time⁵ with 24% of SME employers founded in the last 7 years say will employ more staff⁵
- Exporters are performing well with 22% increasing the number of employees in their business over the last year ending 2008 with 48% having recruited new staff⁵
- 69% of SMEs are family-owned (rising to 71% of micro-sized businesses)²

70% that were family owned were 'first generation', 20% were second generation, and 10% had been in the family for three generations or more²

Star stat: 61% of SME employers have funded or arranged training or development for staff (including informal training) in the last 12 months to the end of 2008⁵. This is 4% up on 2007². Half of all micro-sized businesses have arranged training for their staff².

- Looking forward to 2009, 59% of those SME employers that had provided training in the last year expect to maintain their current level of investment. 25% are expecting to increase their investment⁵
- Nearly a third (28%) of SME employers provided leadership or management training to their management team²

Over two thirds of medium-sized employers trained their managers, compared to 46% of small employers and 24% of micro-sized employers²

¹ Federation of Small Businesses – Small Business Statistics updated May 2008

² BERR Annual Small Business Survey 2007/08, Matthew Williams Marc Cowling, Institute for Employment Studies, Published in 2009 by BERR.

A total of 9,362 Small and Medium-sized Enterprises (SMEs) were interviewed. This survey defined an SME as any business with fewer than 250 employees.


³ Barclay's Small Business Start-Ups Information 2008

www.newsroom.barclays.com/imagelibrary/default.aspx?SearchType=Documents&NewsAreaID=28

⁴ The UK Business Barometer, Quarterly Survey BB121 Jan 09 and BB122 April 2009 www.ukbb.ac

⁵ BERR SME Business Barometer: December 2008 by IFF Research

⁶ British Bankers Association Statistics Release 5 March 2009



Promotr is a PR toolkit for small businesses developed by **Upward Curve PR**, an award-winning ethical PR agency (and small business) with over ten years experience of helping businesses of all sizes and types to thrive.

To deliver **Promotr** we have joined forces with design gurus **zoomedia** and print supremos **GB Litho** to combine the drive and creativity of publicists, designers, web-heads and printers to deliver extra firepower for your business.

Whether you're just starting out, or have been going for a while, you'll find there's a **Promotr** product that will help you build your brand, boost your online presence and get you communicating effectively with the people you want to be talking to. Choose from one, (or more), of our menu of fixed price promotional tools to fit your requirements and budget.

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Promotr ToyBox:

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Promotr TopBrand:

A sparkling new brand and how to use it

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