Quarterly Survey of Small Business in Britain

Special topic: goals, success and values
Acknowledgements

The research team would like to thank the many SME owners and managers who invested time and effort in completing our questionnaire. Our aim in this report is to represent their views and experiences as accurately as possible. In doing so, we hope to provide a useful, timely and objective source of evidence about small and medium-sized firms that can be used to inform future policy and practice. We also wish to acknowledge the work of BDRC in managing the telephone survey and the support provided by Barclays Bank and The Open University. The Quarterly Survey is editorially independent and any opinions expressed may not reflect those of The Open University or any other organisations.

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Extreme weather is blowing businesses off course, say Britain’s small firms
Jason Hesse, 3 February 2014

Extreme weather risk poses major threat to small businesses
Will Nichols, 5 February 2014

‘Don’t bar us from cheap flood cover scheme’ plead bosses who risk spiralling premiums and excesses
Helen Loveless, 9 February 2014

For more information on next quarter’s special topic, ‘Competing in the European Union’, and our special 30th anniversary issue to be published in Quarter 4, 2014, please contact the editor: richard.blundel@open.ac.uk
Summary

SMEs and the UK economy

Our analysis of a number of prominent SME research studies and UK macroeconomic data shows output and employment continuing to grow. There are also continuing signs of optimism regarding future growth prospects, with improved manufacturing activity and forecasts. All regions are exhibiting signs of growth, with some signs of increasing confidence in the North of England. However, there are some concerns over exports as the value of the pound increases and skills shortages which may hold back future growth.

Special topic: Goals, success and values

This quarter, we examine what SME owners and managers see as the best and worst aspects of owning and / or managing a small or medium-sized business, as compared to alternative career options such as working as an employee in a larger organisation. We also look at the way that people frame goals for their business, the degree to which they use it to express personal values, and the measures they adopt in order to evaluate its success. The main telephone survey findings are complemented by additional qualitative findings obtained from our online survey respondents and three in-depth case studies:

- The main advantage of running your own business is ‘being your own boss’: half of our respondents (50%) include it in their personal ‘top three’ choices. In the words of one respondent, it means, ‘The ability to determine my own agenda and my own priorities.’

- The next most popular advantage is ‘more flexible working hours’, identified by more than one third (39%) of respondents, while more than a quarter of respondents (29%) include ‘opportunities to be more creative and / or innovative’, alongside ‘avoiding the downsides of working for a large organisation’ (29%), a typical comment being: ‘Not having to deal with the office politics, office bullies, and the generally incompetent.’

- Contrary to many popular views, ‘opportunity to gain greater personal wealth and/or earnings’ is only in fifth place (27%).

- More than a quarter (26%) of those in largely or wholly male-owned businesses see ‘being your own boss’ as their key advantage, compared to 15% where ownership is mostly female. More than twice as many ‘mostly male’ businesses identified ‘opportunity to gain greater wealth and/or earnings’ as the key advantage (12%), compared to ‘mostly female’ counterparts (5%).

- Longer working hours is the top disadvantage of running your own business, selected by 41% of respondents as one of their ‘top three’ disadvantages. Increased work-related stress is second (38%), followed by ‘potential for failure and / or loss of personal assets’ (29%). ‘Difficulties in employing staff’ is in fourth place (26%).

- ‘Personal satisfaction’ is the most commonly identified measure of business success; 21% selected it as their ‘priority 1’ measure and almost half (49%) included it in their ‘top three’. Profitability was a close second, being identified by 20% as their ‘priority 1’ measure. Respondents from smaller firms are far more likely to select personal satisfaction as their key measure of success.
Most small and medium-sized firms continue to have some growth ambitions. Just over one in ten (11%) respondents intend to ‘expand significantly’ and a further one half (50%) to ‘expand moderately’ over the next three years.

Respondents provided a variety of examples of the ways that they can express their personal values through their businesses.

The accompanying case studies explore the recent experiences of three UK businesses and include the reflections of their owners on key issues raised in this report.
The Quarterly Survey of Small Business in Britain
2014 Quarter 2
Special topic: Goals, success and values

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SMEs and the UK economy

This section reviews the current state of the UK economy and the performance of its small and medium-sized firm population over the period covered by this report. It is based on our analysis of a number of prominent SME research studies and UK macroeconomic data. These varied sources present broadly similar messages, with output and employment continuing to grow. There are also continuing signs of optimism regarding future growth prospects, with improved manufacturing activity and forecasts. All regions are exhibiting signs of growth, with some signs of increasing confidence in the North of England. However, there are some concerns over exports as the value of the pound increases and skills shortages which may hold back future growth. It should also be borne in mind that summary statistics of this kind necessarily mask large differences in the experiences of individual firms.

The UK economy and SME performance

Our review begins with a comparison between GDP figures, which provide an indicator of overall economic performance, and recent data from the Barclays Small Business Activity (SBA) Index. The SBA data, which is derived from the banking activity of over 200,000 small firms (Chart 1) has fluctuated since early 2012 while the UK’s GDP growth rate remained relatively stable over the same period, until a sharp year on year rise in GDP in the second quarter of 2013 which has continued through to Q1 2014. After rising from -10 in Q1 2013 to +4 in Q3, the SBA fell to -1 in Q4, but rose sharply to +7 in Q1 2014, the highest rise since Q2 2013 and the highest point on record, since the index began in Q1 2003. GDP continues to rise in each quarter and exhibited an overall increase of +2.6% between Quarter 1 2013 and Quarter 1 2014, consistent with last quarter’s strong performance.1

The Barclays Stock and Activity Index (Chart 2) estimates the number of ‘mainstream’ businesses, based on the number of business accounts held with them and an estimate of their market share. The most recently recorded 2014 first quarter saw a return to the net increase in business stock typically exhibited in England and Wales during the past five years, after last quarter’s break in that recent trend. There was a net increase of 14,800 businesses, representing a similar increase to that for Q1 2013. Whilst the first quarter of the year often witnesses an increase in start-ups, there appears to be a return towards lower pre-recession rates, with the rate of new starts at 99,000 and the rate of closures down to 84,200, the lowest rate since Q4 2009. This also resulted in a 12 month increase of only 0.9% in the business stock, similar to last quarter, which was the lowest annual increase since Q3 2009.

The latest ONS UK labour market statistics, published June 11th 2014, point to a further growth in self-employment, with a net increase of 337,000 between February and May 2014, resulting in an overall figure of 4.54 million in self-employment. There was another quarter of overall employment increase, with the employment rate up by 0.6 percentage points.

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Review of other SME survey findings

The **Federation of Small Business ‘Voice of Small Business Index’**\(^3\) for the second quarter of 2014, published on 23\(^{rd}\) June, reported that their measure of small business confidence, the Small Business Index (SBI), is at a record high. The report highlights that investment intentions are particularly strong, with one in four firms, 25.6%, expecting to increase capital investment over the next 12 months, up from 15.8% one year ago. However a key concern is the continuing rise in the proportion of SMEs reporting skills requirements, which rose from 25.4% in Q1 to 29.9% in Q2, representing an increasingly important barrier to potential growth and particularly in the construction and computer services sectors.

The SBI indicates that confidence in Q2 was at +39.7%, above the previous highest level of +35.7% recorded in the last quarter. Confidence is rising in all regions and almost all sectors, with the North East, exhibiting the highest net balance at +58%. With regard to sector, business services +61% and technology firms +56% continue to exhibiting most confidence, whilst the sport and leisure entertainment sector was the only sector to exhibit a negative net balance of -2% and a year on year decline from +3% in Q2 2013. The SBI also indicates that there has been a full year of SMEs reporting positive net balance scores for sales revenue growth, with a positive balance of +18.1% for Q2 2014. Looking forward, a net balance of 29.6% of SMEs expect their revenue to increase during the next quarter. The net balance for those experiencing rising exports was +7.3%, down slightly from the last quarter, whilst the reported prospects for increasing exports in Q3 was +20.7%, again slightly down on the last quarter’s projections. More firms were hiring rather than firing staff for the fourth quarter in a row, and the prospects for Q3 2014 are for further recruitment with a +10.5% net balance score.

The **CBI Quarterly Manufacturers Survey**\(^4\), published on 19\(^{th}\) June 2014, indicated that: “Demand for British made goods remains buoyant and that has helped drive this quarter’s further rise in output. Growth is broad-based, with the recovery spreading its roots, and firms have high hopes for the coming quarter. However, the recent rise in Sterling could impact on the resilient export orders seen lately.” 34% of firms reported that total order books were above normal, a rise from last quarter’s 29%, whilst a similar proportion of 23% indicated they were below normal, giving a balance of +11%. This is the highest balance since the eighteen-year high of +12% reached in December 2013, and well above last quarter’s +6% and the long-run average of -16%.

39% of firms reported increased volume of output over the last three months, with 22% reporting it was down, giving a balance of +17%. This was broadly similar to the balance of +15% prevailing for the last three months and significantly above the long-run average of +2%. The outlook for output growth over the next three months is good, with 44% predicting growth, and 12% a decline, giving an overall balance of +32%. This is unchanged since April and considerably above the long-run average of +7%. Expectations for output price inflation remained very subdued at +3%, with 18% of firms reporting that their present stocks of finished goods were more than adequate, and 10% reported they were less than adequate, giving a balance of +8%. Just under a quarter (23%) of firms reported that their export order books were above normal, with 25% reporting that they were below normal, giving a rounded balance of -2%, considerably above last quarter’s balance of -10% and the long-run average of -20%.

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\(^3\) FSB Voice of Small Business Index, Q2 2014, published 23/06/2014: [http://www.fsb.org.uk/policy/assets/q2%202014_cebr%20index%20_final.pdf](http://www.fsb.org.uk/policy/assets/q2%202014_cebr%20index%20_final.pdf)

The **English Business Survey (EBS)**[^5] is classified as ‘experimental official statistics’ and it has been announced that the series will end in April 2014. The survey uses balance statistics but they are not directly comparable to other data reported in this section, or to findings of the other SME surveys reviewed in this section. For example, it is based on individual workplaces rather than firms (though as the EBS points out, 97% of all enterprises are based on a single workplace). In addition, the EBS excludes the smallest non VAT and PAYE registered businesses, which may represent 55% of all SMEs. The final EBS data, reporting for February 2015, based on 3,000 workplaces and published on 30th April, provides a positive net balance of +14% for output, but a net balance of 0% for employment. This contrasts with the exceptionally buoyant net balances of +27% for output and +11% for employment for Q4, 2013. However, the trend continued for the monthly output balance to be above that from a year ago, when it stood at just +1%. This trend is also mirrored across all regions. Employment also exhibited a net balance that is higher than from the same period one year ago, with the only exceptions being the North West and South West regions.

Output balances were positive across all sectors and business size categories, except for micro businesses with 1-9 employees, which recorded a negative balance of -3%. Employment balance scores were more varied with micro and medium sized businesses, with 50-249 employees, as well as the other services sector recording negative balance scores. Regional output performance was strongest in Yorkshire and the Humber, with a net balance of +21% and weakest in the North West at 0%. Employment balance scores were also particularly weak in the North West and North East at -11% and -3% respectively. Businesses presented a positive three month outlook, with output growth registering a +46% net balance and employment growth registering +16%. Across the regions output balance ranged from +49% in London and the West Midlands to +40% in the East of England, with employment balances ranging from +21% in the South West to +10% in Yorkshire and the Humber. Almost all regions reported stronger output and employment growth in February 2014, when compared to one year ago, the only exceptions being weaker output growth in the East of England and South West and weaker employment growth recorded in the South East of England.

**Conclusion**

Our review of the most recently available UK SME data indicates increasing and sustained business confidence, matching the rise in national GDP and manifested in increased employment levels. This conclusion is underpinned by several indexes[^6], which are registering at their highest levels of confidence in recent years. Whilst there has been a slow-down in new business formation, this is also now mirrored by considerably lower business closure rates, with a return towards pre-recession rates. The signs are that existing businesses are taking on more employees, contributing to a net rise in employment, along with a continuing increase in self-employment. There continue to be signs of positive output growth, with manufacturing firms showing positive growth and forecasts for the next quarter and with technology and business services continuing to perform well, but some concerns within the sport, leisure and entertainment sector. From a regional perspective, there is output growth and improved performance in all regions, with some improvements in Yorkshire and the Humber and the North East in the last quarter. Whilst SME employment continues to grow and is forecast to continue to do so, the proportion of small businesses with skills requirements has come to the fore in the FSB survey in the last three quarters, representing a potential barrier to growth for almost one third of small businesses.


[^6]: Another regular performance indicator, the British Chamber of Commerce (BCC) Quarterly Economic Survey’s quarterly report was not available at the time this report went to press.
Goals, success and values

This quarter, we examine what SME owners and managers see as the best and worst aspects of owning and/or managing a small or medium-sized business, as compared to alternative career options such as working as an employee in a larger organisation. We also look at the way that people frame goals for their business, the degree to which they use it to express personal values, and the measures they adopt in order to evaluate its success. The main telephone survey findings are complemented by additional qualitative findings obtained from our online survey respondents and three in-depth case studies.

Introduction

Why do people continue to run their own businesses, rather than pursue an alternative career in a large company, charity or public sector organisation? The last six years have been particularly difficult for the owners and managers of small and medium-sized businesses in the UK. The international banking and financial crises of 2008-09 were followed by a long-running economic downturn in the UK and a series of financial and political crises in the Euro-zone economies and elsewhere. The UK has also seen its fair share of political upheaval, including a change of Government in 2010 and a forthcoming referendum on Scottish independence, and policy innovations including a major reorganisation of business support services in England and Wales and a new Small Business Bill.

There is a great deal of research on motivations for starting-up a new business, but rather less attention is paid to the reasons why people remain as owners or managers of small and medium-sized businesses, often for the rest of their active working lives. In this report we examine why being a business owner and/or manager continues to be an attractive option for so many people, despite all the challenges. Our report also explores some of the more important trade-offs that people are making as they navigate their way through an entrepreneurial career. We begin by looking at the perceived advantages of running your own business, as compared to an alternative career path. This is followed by a review of the most commonly-cited disadvantages. The remaining sections tackle two related issues. Firstly, we identify criteria that owners and managers use to measure the success of their businesses. These include both conventional business-related measures (e.g. profitability, growth, innovation, continuity) and other personal measures (e.g. personal satisfaction, work-life balance, personal reputation, meeting social needs). Secondly, we investigate the extent to which owners and managers are using their businesses as a vehicle for expressing the personal values, and assess the importance of ethical considerations in comparison with other business goals.

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7 There have also been a series of extreme weather events, including snow, droughts, heat waves, storms and flooding, that have posed a threat to more than a quarter (27%) of SMEs in the last five years (Quarterly Survey, Q4, 2013: ‘Recovery and Resilience’; 9-11).

Advantages of running your own business

The ability to ‘be your own boss’ is by some measure the main advantage of running your own small or medium-sized business. It is identified by half of our respondents (50%) as one of their personal ‘top three’ choices (Table 1). Perhaps more surprisingly, the next most popular advantage is ‘more flexible working hours’, identified by more than one third (39%) of respondents. Another surprising result is that more than a quarter of respondents (29%) include ‘opportunities to be more creative and / or innovative’ in their ‘top three’, placing this advantage alongside ‘avoiding the downsides of working for a large organisation’ (29%).

Table 1: The ‘top three’ advantages given for running your own business — most commonly mentioned types (n.b. see Chart 3 for a breakdown by priority)

<table>
<thead>
<tr>
<th>Type of advantage</th>
<th>Any Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can be your own boss</td>
<td>50%</td>
</tr>
<tr>
<td>More flexible working hours</td>
<td>39%</td>
</tr>
<tr>
<td>Can be more creative and / or innovative</td>
<td>29%</td>
</tr>
<tr>
<td>Avoids negative aspects of working for a larger organisation (e.g office politics, job insecurity)</td>
<td>29%</td>
</tr>
<tr>
<td>Opportunity to obtain greater personal wealth and / or earnings</td>
<td>27%</td>
</tr>
<tr>
<td>Opportunity to follow a personal interest and / or vocation</td>
<td>24%</td>
</tr>
<tr>
<td>Greater variety of work</td>
<td>23%</td>
</tr>
<tr>
<td>Able to work from home</td>
<td>15%</td>
</tr>
<tr>
<td>It’s necessary for the kind of work I do</td>
<td>10%</td>
</tr>
<tr>
<td>Can increase status or social standing</td>
<td>8%</td>
</tr>
</tbody>
</table>

Contrary to many popular media representations of entrepreneurs and small business owners as obsessed with the ‘opportunity to gain greater personal wealth and/or earnings’⁹, this advantage was only in fifth place (27%). It is closely followed by ‘opportunity to follow a personal interest or vocation’ (24%) and ‘greater variety of work’ (23%). A significant minority (15%) selected ‘able to work from home’, perhaps reflecting the growth in smaller online businesses¹⁰. One in ten respondents (10%) selected the descriptor, ‘it’s necessary for the work I do’; though not strictly an ‘advantage’, it can be an important reason for taking this career path. Lastly, only 8% of respondents

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selected, ‘can increase status or social standing’ as one of their top three advantages of running a business\textsuperscript{11}. A further one in ten respondents (10\%) did not select any of these advantages\textsuperscript{12}. Chart 3 provides a breakdown of each advantage according to the ranking it was given by respondents. For example, it shows that 24\% of respondents identified ‘can be your own boss’ as the most important advantage, while 16\% put it in second place and 10\% in third. The subsequent analysis is based on the ‘Priority 1’ figures, which (as can be seen from the chart) follow a similar pattern to ‘all mentions’\textsuperscript{13}.

Chart 3: The ‘top three’ advantages given for running your own business – percentage selecting priority 1, priority 2 and priority 3 (n.b. see Table 1 for ‘all mentions’)

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Priority 1</th>
<th>Priority 2</th>
<th>Priority 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can be your own boss</td>
<td>24%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>More flexible working hours</td>
<td>14%</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Can be more creative and/or innovative</td>
<td>9%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Avoids negative aspects of working for a larger organisation</td>
<td>7%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Opportunity to obtain greater personal wealth and/or earnings</td>
<td>11%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Opportunity to follow a personal interest and/or vocation</td>
<td>8%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Greater variety of work</td>
<td>8%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Able to work from home</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>It’s necessary for the kind of work I do</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Can increase status or social standing</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

There are several interesting contrasts in the ‘advantages’ data. For example, there are indications of strong gender differences, with more than a quarter (26\%) of those in largely or wholly male-owned businesses identifying ‘can be your own boss’ as their most important advantage, compared to 15\% of those where the ownership is mostly female (Table 2). Similarly, 12\% of ‘mostly male’ businesses identified ‘opportunity to gain greater wealth and/or earnings’ as the most important advantage, more than twice the proportion of their ‘mostly female’ counterparts (5\%). The latter result is mirrored by respondents rating themselves as ‘very entrepreneurial’, who were much more likely to identify ‘opportunity to gain greater wealth and/or earnings’ as the most important advantage (12\%), compared to the least entrepreneurial (5\%)\textsuperscript{14}.

\textsuperscript{11} There is relatively little recent research on SME owner and manager perceptions of social status, though it is interesting to note that one of the factors prompting the Bolton Committee’s work on small firms in the early 1970s was that owners felt undervalued and ignored by Government. For a review of work on entrepreneurial self-identity, see: Down, S. and Warren, L. (2008) “Constructing narratives of enterprise: clichés and entrepreneurial self-identity,” International Journal of Entrepreneurial Behaviour & Research, 14, 1: 4-23.

\textsuperscript{12} Analysis of the data suggests the non-respondents to this question, and to the following question on disadvantages, are mainly from relatively larger firms (i.e. typically, those with £5m+ sales, 50+ employees and/or more than 40 years’ trading). This may be because respondents from these firms do not relate so directly to questions about ‘running your own business’.

\textsuperscript{13} We calculated a full range of cross-tabulations using ‘priority one’ choices to identify underlying trends in each response type. The main priority is the best indicator of what really matters to the respondent, as opposed to secondary and tertiary reasons. However, we also captured the overall breadth of importance of a factor by including an ‘all mentions’ rankings that aggregate all three priorities.

\textsuperscript{14} The exact wording of the gender and entrepreneurial index questions can be found at the end of this report.
Table 2: The ‘top three’ advantages given for running your own business – percentage selecting ‘Priority 1’ – by gender of business ownership (n.b. ‘mostly’ = ‘largely or wholly owned by’)

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Mostly male</th>
<th>Mostly female</th>
<th>Roughly equal</th>
<th>Don’t know</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can be your own boss</td>
<td>26%</td>
<td>15%</td>
<td>23%</td>
<td>9%</td>
<td>24%</td>
</tr>
<tr>
<td>More flexible working hours</td>
<td>13%</td>
<td>15%</td>
<td>16%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>Opportunity to obtain greater personal wealth and / or earnings</td>
<td>12%</td>
<td>5%</td>
<td>9%</td>
<td>4%</td>
<td>10%</td>
</tr>
<tr>
<td>Can be more creative and / or innovative</td>
<td>8%</td>
<td>18%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Greater variety of work</td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Opportunity to follow a personal interest and / or vocation</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Avoids negative aspects of working for a larger organisation (e.g office politics, job insecurity)</td>
<td>7%</td>
<td>11%</td>
<td>8%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Able to work from home</td>
<td>4%</td>
<td>5%</td>
<td>3%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>It’s necessary for the kind of work I do</td>
<td>3%</td>
<td>6%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Can increase status or social standing</td>
<td>2%</td>
<td>5%</td>
<td>2%</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Our online respondents provided concrete examples of what this freedom of action means for them in practice. They illustrate both the variety of ways that a shorthand term like, ‘being your own boss’ can be interpreted. They also show how several of the advantages in the list can be inter-connected (e.g. they may involve the freedom to: schedule work, apply personal ethics and values, balance work and family, or to be more creative):

‘The ability to determine my own agenda and my own priorities.’

‘Being able to run your own business according to your own ethics.’

‘Unrestricted ideas, not constrained by a corporate image or policy. I can be as risky as I dare, it’s my decision.’

‘From my perspective the main advantage is that you are free to do pretty much as you please consistent with giving your customers the best service possible. I suppose that would equate to the satisfaction of knowing that a job has been done well.’

‘Having become an inventor of numerous ideas, I can try them out as I wish.’

‘Never missed a child’s school event because of being able to run my own schedule.’

‘I am in control of my own time and I answer to no one else, except perhaps my wife!’

‘I LOVE being me own boss and used to DETEST working for other people.’
There were also a variety of comments on the ways that running your own business offers an escape from the downsides of corporate life, including office politics, difficult and incompetent managers, inflexible working arrangements and commuting:

‘We are not at risk from having our plans and achievements determined by the conflicting ambitions of other work colleagues.’

‘No corporate politics - able to concentrate on critical issues including meeting external stakeholder needs.’

‘Not having to deal with the office politics, office bullies, and the generally incompetent.’

‘Not having to deal with a boss who, when something goes wrong blames others, and when something goes right credits only himself.’

‘Allowed me to function as a single parent.’

‘Less stressful than commuting, more interesting than earning money for someone else.’

Disadvantages of running your own business

The most commonly identified disadvantage of running your own business is longer working hours (Table 3). This issue was selected by 41% of respondents as one of their ‘top three’ disadvantages. Increased work-related stress is in second place (38%). More than one quarter of respondents (29%) selected ‘potential for failure and / or loss of personal assets’, a result that underlines the difficult conditions facing many smaller businesses despite some indications of economic recovery. The fourth most commonly identified disadvantage was ‘difficulties in employing staff’ (26%). A sub-group of 18% of respondents did not state a priority disadvantage\textsuperscript{15}. Each of these issues is explored in greater depth in the remainder of this section and in the three case studies.

Table 3: The ‘top three’ disadvantages given for running your own business – most commonly mentioned types (n.b. see Chart X for a breakdown by priority)

<table>
<thead>
<tr>
<th>Type of disadvantage</th>
<th>All mentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longer working hours</td>
<td>41%</td>
</tr>
<tr>
<td>Increased work-related stress</td>
<td>38%</td>
</tr>
<tr>
<td>Potential for failure and / or loss of personal assets</td>
<td>29%</td>
</tr>
<tr>
<td>Difficulties in employing staff</td>
<td>26%</td>
</tr>
<tr>
<td>Problems in getting and retaining customers</td>
<td>19%</td>
</tr>
<tr>
<td>Poor pay and remuneration</td>
<td>18%</td>
</tr>
<tr>
<td>Poor fit with family life</td>
<td>17%</td>
</tr>
<tr>
<td>Problems in dealing with difficult suppliers</td>
<td>13%</td>
</tr>
<tr>
<td>Isolation / loneliness</td>
<td>11%</td>
</tr>
<tr>
<td>Feeling trapped / unable to develop</td>
<td>10%</td>
</tr>
</tbody>
</table>

\textsuperscript{15} This sub-group had similar characteristics to those identifying no priority advantages (note 12).
Chart 4 provides a breakdown of each disadvantage according to the ranking it was given by respondents. For example, it shows that 18% of respondents identified ‘longer working hours’ as the most important advantage, while 15% put it in second place and 8% in third. The subsequent analysis is based on the ‘Priority 1’ figures, which (as can be seen from the chart) follow a similar pattern to ‘all mentions’.

Chart 4: The ‘top three’ disadvantages given for running your own business – percentage selecting priority 1, priority 2 and priority 3 (n.b. see Table 3 for ‘all mentions’)

<table>
<thead>
<tr>
<th>Disadvantage</th>
<th>Priority 1</th>
<th>Priority 2</th>
<th>Priority 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Longer working hours</td>
<td>18%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>Increased work-related stress</td>
<td>13%</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Potential for failure and / or loss of personal assets</td>
<td>13%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Difficulties in employing staff</td>
<td>10%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Problems in getting and retaining customers</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Poor pay and remuneration</td>
<td>8%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Poor fit with family life</td>
<td>5%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Problems in dealing with difficult suppliers</td>
<td>4%</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>Isolation / loneliness</td>
<td>2%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Feeling trapped / unable to develop</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

One of the most striking differences in the ‘disadvantages’ data relates to family businesses. A much higher percentage of family business respondents selected ‘longer working hours’ as a ‘priority 1’ disadvantage (20%), as compared to those not in a family business (15%). Similarly, a higher proportion of family business owners and managers selected ‘potential for failure and / or loss of personal assets’ as their ‘priority 1’ disadvantage (16%) as compared to their counterparts in non-family businesses (10%). Only 12% of family businesses responded that ‘none of these’ was a disadvantage, as compared to one quarter (25%) of non-family businesses.

There is a broadly similar pattern of disadvantages reported by firms of different size, with a few notable exceptions. Perhaps unsurprisingly, the very smallest businesses (i.e. those with no employees), are much more likely to identify ‘isolation or loneliness’ as a ‘priority 1’ disadvantage (9% compared to 2% for the whole sample). They also report higher than average ‘priority 1’ figures for ‘poor pay and remuneration’ (9%) and ‘problems in dealing with difficult suppliers’ (11%). By contrast, the owners and managers of medium-sized firms (with between 50 and 250 employees) tend to report fewer problems overall. Nearly one third (31%) of these respondents state that ‘none of these’ issues represents a disadvantage for them, compared to 18% for the whole sample. They also have lower levels of concern over ‘potential for failure and / or loss of personal assets’ (8% compared to 13% for the whole sample).

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16 This categorisation is self-defined by respondents through the demographic question: ‘Is your business wholly or largely owned and controlled by members of one family?’ [Yes; No; Don’t Know]
The survey highlights sectoral differences in the kinds of disadvantage faced by owners and managers (Table 4). Longer working hours are identified as a particular issue in transport, storage and communication businesses (30% compared to 18% for the whole sample), while increased work-related stress is highlighted by respondents in the construction sector (23%) and potential for failure and/or loss of personal assets by manufacturing businesses (24%). Difficulties in employing staff are most commonly identified by hotels and restaurant businesses (14%).

Several comments from our online respondents expanded on the negative impact of the long hours, which often intrude into weekends and holidays. These include the effect of excessive workloads on other members of the family:

‘What is looked on as the norm - the traditional 2 week holiday - is out of the question and as such I suppose you could say that my family has suffered.’

‘Holidays? What are holidays? The only way you can not be there, in a very small business that is expected to provide everything the very next day, is to have a close-down week and chance losing customers. You are never away from work as you go home and do the bookwork/VAT etc., but then that’s all part of it, it either suits you or it doesn’t.’

Table 4: Top three disadvantages of owning and/or managing a smaller business – ‘Priority 1’ responses, by industry sector

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Longer working hours</th>
<th>Increased work-related stress</th>
<th>Potential for failure and/or loss of personal assets</th>
<th>Difficulties in employing staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry and fisheries</td>
<td>24%</td>
<td>14%</td>
<td>19%</td>
<td>10%</td>
</tr>
<tr>
<td>Construction</td>
<td>15%</td>
<td>23%</td>
<td>11%</td>
<td>8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>20%</td>
<td>10%</td>
<td>25%</td>
<td>6%</td>
</tr>
<tr>
<td>Transport, storage &amp; communication</td>
<td>30%</td>
<td>11%</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>21%</td>
<td>9%</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Retail</td>
<td>21%</td>
<td>13%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>Business Services</td>
<td>14%</td>
<td>10%</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Hotels &amp; restaurants</td>
<td>16%</td>
<td>16%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Health, education, leisure, other</td>
<td>16%</td>
<td>13%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>All (unweighted)</td>
<td>18%</td>
<td>13%</td>
<td>13%</td>
<td>10%</td>
</tr>
</tbody>
</table>
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In addition to long hours, there is also the burden of spending time on routine tasks, rather than the core work of the business. This is a particular concern for people who have set up a business in order to pursue a vocation, or an activity that they enjoy:

‘I am always the last to be paid and I struggle each month to meet all my financial commitments. The stress of running my business is exacerbated by being the “face” of the business so that I often do not get to sew or make clothes, which is what I like to do. Instead I deal with all the administration, which takes me away from my fundamental enjoyment of making clothes.’

Several respondents commented on the constant stress and worry that comes with running your own business, the verbatim quotes giving some sense of the strong emotions involved:

‘I don’t think you can fully appreciate how stressful running a business is until you do it yourself. Our managing director has aged much more than he would have done in a normal job. The stress levels have affected his health, particularly in the last year.’

‘Everything is about sales, and all stress ultimately comes from lack of business. Fear of failure is, for me, very high. Dread the thought of the business failing, I will feel so bad (the loss of assets is almost secondary to loss of self-confidence). Also, often feel trapped, and wish I could do something else - but I suspect this is true in any role. I do feel trapped by responsibility to others.’

Owners and managers are often aware that work-related stress and excessive working hours can pose a serious problem, both to their own well-being and to those around them, but are they taking any action? In a few cases, our respondents identified specific changes that they have made to address these issues:

‘In my previous business (a marketing design company) I worked very long hours and often weekends to keep up to date – and probably didn’t take enough holidays. My present business was set up to be more gentle (I am now 70).’

‘Loneliness [was] worst as, in the beginning I put so much energy to get business going, that I nearly had a breakdown after a few years – but since [then I have] learnt to get the balance right and have lunch dates in the week.’

As they discussed the disadvantages, several respondents referred to the pressures exerted by tax authorities, banks, and regulatory bodies, a typical comment being, ‘Dealing with over burdensome red tape and having my time wasted by endless government rules and over regulation.’ Customers can also create problems by making unreasonable demands of smaller business – we have quoted the following example in full to give a sense of the anger that can be generated:

‘Inefficient clients (i.e. those who still employ layers of admin staff) bombarding a small business with meaningless torrents of paper (risk registers being a typical piece of nonsense largely created by time-filling half-wits), which all take time to read and respond to – 99% could simply be binned.’

‘The possibility of serious illness of the key people is a disadvantage …’

The presence of other people in the business seems to be something of a mixed blessing. One sole trader sees the prospect of having people around in a positive light – seemingly because it might help to improve a negative state of mind:

‘Demotivation, low morale [is identified as another type of disadvantage]. The presence of other people could help to lift me out of a depressing mood.’

On the other hand, employees are often seen as part of the problem, as in these examples:
‘Dealing with staff can be particularly difficult and fraught with dangers to the business, be it legislation or unrest. Even the best motivated staff have wranglings and disputes.’

‘A few years ago we employed someone who turned out to be mentally unbalanced and that was stressful, even after we had got rid of her, as she wouldn’t leave us alone. It’s horrible making good people redundant.’

Lastly, several respondents said that they found it difficult to separate their own self-image and identity from that of the business; this lack of separation can exacerbate the problems faced by owners and managers, particularly when things are not going well:

‘If things go wrong in work and you happen to be down … you cannot escape it.’

‘It’s too easy to equate your self-esteem with the success of the business. I have to remind myself that I am not my business, it is work, and it is separate from me.’

**Measuring business success**

Drawing on a review of previous research studies, we identified ten criteria that business owners and managers have been known to use to measure the success of their businesses. We asked people to select the three measures of these that they personally considered to be the most important, or to identify their own indicator. We also asked our online respondents to comment on the reasons for their choices and to give practical examples:

- Profitability (high yields, good profit margin).
- Growth (growth in the number of employees, sales, market share and/or distribution).
- Innovation (introduction of new products or production methods).
- Firm survival/continuity (enables generational transfer or can be sold with a profit).
- Contributing back to society (socially conscious, environmentally sustainable production methods).
- Personal satisfaction (attaining important things in life, such as autonomy, challenge, security, power, creativity, etc.)
- Satisfied stakeholders (satisfied and engaged employees, satisfied customers).
- Good balance between work and private life (positive mutual influence between work and private life, allows time for yourself, family, and friends).
- Public recognition (good reputation, prize-winning).
- Utility or usefulness (organization fulfills a need in society; provides important service or product).
- Other (please specify)

It was striking to see that ‘personal satisfaction’, as defined above, was the most commonly identified measure of business success. More than one fifth of respondents (21%) selected it as their ‘priority 1’ measure and almost half (49%) included it in their ‘top three’ (Table 5). Profitability was a close second, being identified by 20% as their ‘priority 1’ measure. In the follow-up comments, several respondents pointed out that without earning an adequate return, the business would be unable to deliver on any of the other measures. It is striking, therefore, that less than half of the respondents included profitability in their top three measures. There was close competition for

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third and fourth place, between ‘balancing work and private life’ and ‘firm survival/continuity’: both were identified as a ‘priority 1’ by 12% of respondents, but a slightly higher proportion (34%) opted to include work-life balance in their personal ‘top three’. Fewer that one in ten respondents (8%) selected ‘growth’ as their ‘priority 1’, and just over one quarter (28%) included it in their ‘top three’. This result is consistent with previous research, which indicates that most SMEs do not have significant growth ambitions18 (see ‘Growth ambitions’ below).

Table 5: Top three measures of business success - by priority and ‘any mentions’

<table>
<thead>
<tr>
<th></th>
<th>Priority 1</th>
<th>Priority 2</th>
<th>Priority 3</th>
<th>Any mention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal satisfaction</td>
<td>21%</td>
<td>16%</td>
<td>12%</td>
<td>49%</td>
</tr>
<tr>
<td>Profitability</td>
<td>20%</td>
<td>12%</td>
<td>11%</td>
<td>43%</td>
</tr>
<tr>
<td>Good balance between work and private life</td>
<td>12%</td>
<td>11%</td>
<td>11%</td>
<td>34%</td>
</tr>
<tr>
<td>Firm survival / continuity</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
<td>32%</td>
</tr>
<tr>
<td>Growth</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
<td>28%</td>
</tr>
<tr>
<td>Satisfied stakeholders</td>
<td>5%</td>
<td>8%</td>
<td>6%</td>
<td>19%</td>
</tr>
<tr>
<td>Contributing back to society</td>
<td>4%</td>
<td>6%</td>
<td>6%</td>
<td>16%</td>
</tr>
<tr>
<td>Innovation</td>
<td>3%</td>
<td>4%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Public recognition</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>14%</td>
</tr>
<tr>
<td>Utility or usefulness</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>13%</td>
</tr>
</tbody>
</table>

As the following comment indicates, asking people to select three specific success measures may obscure the ways in which these measures are connected. For example, profitability may be seen as the main priority because it is necessary prerequisite in order to achieve other important goals:

‘Hard to choose amongst all those, “contributing back to society” came a close fourth. In order to measure the business success we have to look at bottom line, but we also need the public recognition to ensure repeat business and recommendation, thus helping growth and profitability.’

However, further analysis reveals a strong size-related trend on the importance of ‘personal satisfaction’ as a measure of business success (Table 6). More than one third of respondents (35%) from the very smallest firms, with zero employees, are more likely to select ‘personal satisfaction’ as their most important measure as compared to just 10% of those in medium-sized firms (with 50-249 employees).

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Table 6: ‘Priority 1’ measures of business success – by number of employees.

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Personal satisfaction</th>
<th>Profitability</th>
<th>Good balance between work and private life</th>
<th>Firm survival / continuity</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero employee</td>
<td>35%</td>
<td>17%</td>
<td>14%</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>1-4 employees</td>
<td>28%</td>
<td>23%</td>
<td>13%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>24%</td>
<td>18%</td>
<td>7%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>10-19 employees</td>
<td>18%</td>
<td>19%</td>
<td>13%</td>
<td>13%</td>
<td>10%</td>
</tr>
<tr>
<td>20-49 employees</td>
<td>15%</td>
<td>25%</td>
<td>11%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>50-249 employees</td>
<td>10%</td>
<td>19%</td>
<td>14%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>All</td>
<td>21%</td>
<td>20%</td>
<td>12%</td>
<td>12%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Amongst the other notable differences in these responses, businesses wholly or largely owned by families were more likely to select ‘personal satisfaction’ (24%), ‘profitability’ (22%) and ‘firm survival / continuity’ (14%) as their ‘priority 1’ measure of success, compared to non-family businesses (the equivalent percentages being: 16%, 17% and 10%). However, a slightly lower proportion of family businesses selected ‘growth’ (8%), as compared to their non-family counterparts (9%).

**Growth ambitions**

Most small and medium-sized firms continue to have some growth ambitions. In this survey, just over one in ten (11%) respondents stated that they intend to ‘expand significantly’ and a further one half (50%) to ‘expand moderately’ over the next three years (Table 7). This result tends to fluctuate in response to current and projected economic conditions, as well as the varying intentions of small business owners and managers. The latest figures, as reviewed in the preceding section, ‘SMEs and the UK Economy’), suggest a fairly optimistic view of economic prospects.

Table 7: ‘Which of the following best describes your objectives for the business over the next three years?’

<table>
<thead>
<tr>
<th>Objective</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand significantly</td>
<td>11%</td>
</tr>
<tr>
<td>Expand moderately</td>
<td>50%</td>
</tr>
<tr>
<td>Stay at the same size</td>
<td>31%</td>
</tr>
<tr>
<td>Reduce size</td>
<td>2%</td>
</tr>
<tr>
<td>Sell the business</td>
<td>4%</td>
</tr>
<tr>
<td>Close the business</td>
<td>1%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1%</td>
</tr>
</tbody>
</table>
Further analysis of the data suggests that, consistent with previous studies, the firms with the higher growth ambitions tend to be relatively larger (Table 8). So, for example, almost one quarter (22%) of firms in the £5m+ turnover band intend to expand significantly, compared to just 7% of those in the smallest (less than £100,000) band. Unsurprisingly, higher proportions of those that rate themselves as more entrepreneurial also intend to expand moderately or significantly in this period, as compared to their less entrepreneurial counterparts.

Table 8: ‘Which of the following best describes your objectives for the business over the next three years?’ – by turnover

<table>
<thead>
<tr>
<th>Turnover</th>
<th>Expand significantly</th>
<th>Expand moderately</th>
<th>Stay at the same size</th>
<th>Reduce size</th>
<th>Sell the business</th>
<th>Close the business</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £100,000</td>
<td>7%</td>
<td>39%</td>
<td>42%</td>
<td>5%</td>
<td>2%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>£100,000-£249,999</td>
<td>5%</td>
<td>38%</td>
<td>49%</td>
<td>2%</td>
<td>5%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>£250,000-£499,999</td>
<td>7%</td>
<td>49%</td>
<td>33%</td>
<td>2%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>£500,000-£999,999</td>
<td>10%</td>
<td>55%</td>
<td>23%</td>
<td>3%</td>
<td>8%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>£1m-£5m</td>
<td>13%</td>
<td>58%</td>
<td>24%</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Over £5m</td>
<td>22%</td>
<td>55%</td>
<td>16%</td>
<td>1%</td>
<td>3%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>All</td>
<td>11%</td>
<td>50%</td>
<td>31%</td>
<td>2%</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Expressing personal values**

Owners and managers sometimes say that they can express their personal values through their businesses. The field of values is complex and it was not feasible to assess the values of our respondents directly in this survey\(^\text{19}\). However, it is possible to gain some insights from the evidence collected. For example, the following comment illustrates how an owner’s ethical stance can have a substantive impact on the way a business is run:

‘We are an ethical firm and I had to sack an unethical employee. He took me to [an employment] tribunal and although he lost, it cost us £30,000 in fees and was astoundingly stressful.’

For one respondent, having the capacity to support the local community was seen as an important advantage of running her own business, while another described how a smaller business had both a positive ethos and the managerial discretion needed to allow its staff to flourish:

‘Being able to ‘give back’ to the local area (supporting schools with work experience, supporting local charity for fundraisers).’

‘I think you have a greater opportunity to give people like yourself more opportunities. For example our operations manager was previously working in a laundry and her self-esteem had reached an all-time low. Our managing director could see how bright she really was and gave her the chance to do something more fitting to her ability.’

The following comments, in response to the previous question about success criteria, illustrate how some owners and managers prioritise non-financial performance measures, including environmental responsibility and promoting the welfare of their employees:

‘It is important that we are running a sustainable enterprise as we owe it to the world and its inhabitants to do the right thing. All our employees are chosen for their locality. We always re-use everything where possible and choose eco-friendly vehicles where possible. Most important of all is that the staff enjoy their work and the location of our office is also key to a good atmosphere.’

Personal responsibility for your employees was one of the main values-related concerns emerging from the findings. This was particularly apparent in relation to businesses that were struggling, and where there was a prospect of having to reduce the number of staff. The first two comments were in response to the earlier question about disadvantages of running your own business, while the third and fourth refer to other success criteria:

‘The feeling that you are responsible for the welfare of not only your staff, but their families also.’

‘Having to take tough decisions when finding work is hard and money isn’t coming in!’

‘Providing a supportive and enjoyable workplace for the team that work with me and treating customers as I would expect to be treated. Which is why profitability has to come first.’

‘Providing work for others, and seeing them develop and grow, is a hugely rewarding part of contributing to society (which is more than just social enterprise stuff).’

**Conclusion**

This report has revealed considerable contrasts in people’s experience of running a small or medium-sized business. The main negative features - long working hours, stress, fear of failure and difficulties in employing staff – are familiar from previous research and are often highlighted by small business owners and representative organisations. Our findings add some important details to this picture. These include differences in the perceived disadvantages facing businesses owned and managed by families, and some size- and sectoral variations. When we turn to the advantages, it is notable that the prospect of greater financial gain is often well down the list of goals of many people running small and medium-sized firms. While this might contrast with popular, ‘Dragons Den’ representations of entrepreneurial tycoons, it is more consistent with the realities of business life, in which a relatively small minority do become very wealthy, many make a modest to good living, and a number find themselves struggling to survive. In addition, this research highlights the many non-financial benefits that people derive from running their own businesses. As one respondent puts it:

‘I reckon I would have earned more as an employee though it’s more rewarding in other non-tangible ways.’

We also examined the different criteria that owners and managers use to measure the success of their businesses. Personal satisfaction was the most commonly identified measure, ahead of
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profitability. However, we also showed that this measure has a strong relationship with size of firm: while more than one third (35%) of those in the smallest (zero employee) businesses but only one in ten (10%) of those in medium-sized firms. While public policy and media attention is often focused on firm growth, fewer than one in ten firms (8%) selected it as their main measure of success, while just over a quarter (28%) included it in their personal ‘top three’. Despite this, responses to a separate question on growth objectives suggest that most firms do intend to grow over the next three years, a result that may also reflect perceived improvements in the country’s economic prospects.

Independence and ‘being your own boss’ was the most commonly identified advantage of running your own business – one respondent summarised it in the phrase: ‘Total control of my work and life.’ This might look like a fairly unexceptional and ‘common-sense’ finding. However, for the reality can be rather different for some owners and managers. We were struck by the following comment, which challenges the rhetoric around the independence that can be gained by running a small or medium-sized business:

‘You never really “work for yourself” – you are, in effect, serially employed by every customer. This is somewhat lost on most staff.’

Another online respondent, who says he lost his original investment in the business and is currently repaying large sums to the bank under a guarantee arrangement, highlights how the negative aspects of ownership can multiply when a business runs into difficulties:

‘My income has, in any case, been lower than [1998, the respondent’s last year working in a large company] in every year since. I also do long hours and often think the whole thing is a treadmill that I can’t escape.’

There are a number of paradoxical features in the findings that merit further research. For example, how does the finding on long working hours (seen as the leading disadvantage of running your own business) equate to more flexible working (one of the key advantages)? And if opportunities to be more creative and innovative are important advantages, why does innovation rank so low as a measure of business success? The research also reminds us of longstanding questions around the motivations of SME owners and managers. Why do people continue to devote so many hours to their businesses with little prospect of either financial or non-financial reward? In some cases, the owners may be locked-in to a loss-making business by financial obligations, including loans and mortgages, but others are bound by less tangible (but, in some cases, equally strong) personal commitments. For example, an owner may be unwilling to give up on the business because it would mean making longstanding employees redundant. Rationalisation or closure decisions can be particularly difficult in the case of long-established family firms, where the co-owners and employees may also be close relatives.

For those who do feel able to break out, one option is to reduce the scale of the business. This is a route that is often taken in response to difficult trading conditions, persistent business-related problems, and as a precursor to retirement:

‘[It is] impossible to get staff who can do the job properly and who will stay in post for a reasonable amount of time. I have decided to down scale the business, make the staff redundant and just be self-employed as a result.’

However, other people take the opposite course, looking at new ways to expand their business – often by diversifying into new markets or by expanding its presence online. In the next section, we explore the contrasting experiences of three case study businesses, and hear their owners’ reflections on the issues discussed in this report.
Case studies

Introduction

These case studies are based on a series of interviews conducted by Deneise Dadd of The Open University. They examine in greater depth issues discussed in our special topic section on networking trends. The interviews were conducted during June 2014 and are based on a sub-sample of respondents to the Quarterly Survey of Small Business in Britain. The interview material has been complemented by additional evidence related to the organisations and their industry context. We are grateful to all of our interviewees and to other members of the online panel for taking the time to be involved in this project. This case material can be reproduced for non-commercial educational purposes provided that the source is fully acknowledged.

- Case A: Liquivite Vetfoods
- Case B: Felix Dancewear Ltd.
- Case C: The Cotton Patch Ltd.

Case study A: Liquivite Vetfoods

About 30 years ago Reginald ‘Reg’ Smith started Liquivite Vetfoods. His business produces ‘Liquivite’, a canned liquid pet food, very similar to chicken soup. It is one of a range of prescription diets for sick animals. Liquivite is used to feed and rehydrate sick and older animals, mainly cats and dogs, when solid food is not suitable. It can be given to the animal, as a light meal on its own or mixed with dry foods, and can also be fed via syringe. The product was initially sold through veterinary surgeons and online veterinary pharmacies but pet owners and breeders can now purchase Liquivite directly through the company website. Reg started the business as a sole proprietor and kept it as such until very recently when his son decided to join him for a six-month period to lead their online marketing drive. It is a very specialised niche product with a small turnover but relatively high margins. The company is located in Highgate, North London and its products are shipped across the UK and to other European countries.

Before starting Liquivite, Reg has a background in the food industry: he worked with the dairy company Carnation, which is now part of Nestlé, and was responsible for introducing the ‘Coffee Mate’ brand to the UK market. He later ran their pet food division at the time when they were introducing their pet food products from the USA to the UK. He identified that there was a gap in the market for a product like Liquivite, ‘which was of no interest to a grocery company’. Reg admits that he was never a ‘corporate individual’ and wanted to start his own business because he ‘wanted to run his own show’. After he left Carnation he found a contract manufacturer and began producing Liquivite. At the time, he was recently divorced and had three young children. Flexibility was important in these circumstances and Reg found that, ‘being self-employed gave me the freedom to do what I wanted’. Reg also emphasises how rewarding his field of work can be. For example, he recalls that early market research showed pet owners either regard their pets as a substitute for having a baby or child of their own or as a part of the family where the children learn responsibility. Therefore, ‘when you’ve got an animal that is sick or in poor health or even just old or poor eater, pet
owners obviously get very concerned from an emotional point of view’. These owners respond with gratitude when they find a product that actually helps in the recovery process of their animals, which ‘is very warming’. He gives a recent example, where one of his customers from Wales was so grateful she wrote him saying, ‘your product has saved my dog’s life. It is absolutely wonderful. Today, I have written to 10 Downing Street recommending that you be given the MBE.’

However, there are some drawbacks to owning your own business. Reg points out that he is basically a one-man business, which can be quite an isolating experience at times. His customers are either online, or are UK veterinary wholesalers and overseas distributors that he might see once a year, which means there is little personal contact. Reg says that, while things have been difficult at times, the business is doing reasonably well and has a lot of potential online. Nevertheless, for Reg it seems that the rewards of running your own business go beyond financial gain – as he acknowledges, ‘I’ve not become very affluent but it has been very satisfying’. The fact that he has survived all this time in a market that is controlled by the large food manufacturing companies and major brands is, in itself, a major achievement. Though this is a niche market, the company faces strong competition from major brands. His product has its own ‘unique selling proposition’ (USP) in that it is physically different (i.e. it is more liquid and therefore rehydrates as well as feeds the animal). However, he faces an additional challenge in securing contract manufacturers who can produce his product, since most are also working for the large food companies.

His son, James, is exploring taking over the business and will focus on the online business, targeting the UK’s 12 million cat and dog owners. During the last two years James worked with a website designer friend to set up their website and developed the direct online sales for Liquivite. Although there has been some success, James acknowledges that this, ‘is quite precarious and needs constant attention’. Since he grew up around the business he has intimate knowledge and experience about the business and now use this to direct their online marketing and advertising activities, particularly, Adwords. He admits that it can be expensive to compete with the larger pet food companies, therefore his, ‘knowledge of the business and its market has been very useful in this respect as we have been able to target our advertising budget more carefully and strategically than if we had used a marketing company on our behalf’. James says that one of his immediate plans is to work with a university colleague, his Google partner, to develop, ‘a campaign to increase sales further and drive more traffic to our site over the next 6 to 12 months’.

Reg believes he has been able to express his values in the business. He also sees the challenge of building a new business as something he has particularly enjoyed throughout his career. He joined Carnation while he was studying in the USA and spent about 14 years with them, moving up the corporate ladder. He was given the challenge of introducing Coffee Mate to the UK market, which was basically introducing a powdered creamer to coffee in a market of tea drinkers. This was followed by the challenge of introducing dried cat foods to the UK, which was then a 100% canned cat food market. ‘I always regarded it as a personal challenge, something I enjoyed doing, rather than, you know, doing it for the company.’ It is this desire to challenge himself that spurred him to start his own business. Reg also recognises that his decision to become a small business owner was also prompted by a, ‘force of circumstance’. He was at a point in his life where he had been a ‘one-company man’ and he had to either start over again at a new company or start something of his own. Although he has faced many difficulties over the years, such as suppliers going out of business, a poor batch of products and severe competition, he is still in business. Looking back over the last three decades, Reg has no regrets. He enjoys what he does and has garnered immense job satisfaction over the years.

**Company website:** [www.liquivite.co.uk](http://www.liquivite.co.uk)
Case study B: Felix Dancewear Ltd.

Like her mother, Charmaine Lawrence was a dancer. Over 30 years ago she became a dance teacher and ran a dance supply business alongside the school to supply products to her students. The dance supply business, though giving birth to Felix, was formed simply because there was no local dance retailer available. With her husband, Brian Lawrence, a former electronic engineer, they started Felix Dancewear as a retail store about 15 years ago with the aim of, ‘providing dancers with an unparalleled range and selection of dance products.’ There are two retail shops, in Littlehampton, West Sussex and Eastbourne, East Sussex, which are open from Monday to Saturday. Charmaine and Brian work full time, averaging around 70 hours per week, and they employ six people part-time, as well as sometimes taking on local students. Felix Dancewear is proud of their large stock of top brand dance shoes. With over 10,000 pairs, dancers have a wide selection from which to find the best fit. Dance products are also available from their online store.

Recently, we spoke with Brian and asked him to share some of their experiences owning and operating their own small business. For Brian, one of the good things about owning your own business is that, ‘to a large degree, you have control of your destiny’. As the owner you determine the direction the business will go in rather than being instructed on what to do, which gives you, ‘a sense of freedom’. He shared a recent experience where he and Charmaine were able to take a decision to diversify the business within one week. In the dancewear retail shop business the summer months are very quiet but there are still bills to pay. In Littlehampton, a supplier of school wear was planning to close. Brian met with the owner on a Monday. The owner told him about his plans to close his business and during the discussion mentioned how busy they were in the summer, which, Brian says, ‘rang bells with me’. He went home and discussed it with Charmaine and, on Wednesday offered to buy the business, ‘and on Thursday we shook hands on it and we bought all of his stock’. Brian added, ‘that’s something that, because it was our business, we could make that sort of decision immediately’. There was no need to refer it to a committee – they could take a major decision to diversify their business in a matter of days. A similar thing happened when they decided to purchase the store in Eastbourne; he and Charmaine sat down and discussed it, decided it was worth buying, then ‘we put a bid in and we bought it’.

Brian explains that in his case, the career he had trained for had become non-existent and therefore it was a, ‘forced decision’ to become a small business owner. Since Charmaine was already running the dancewear business it was convenient for them to join forces. He thinks running your own business can be frustrating, especially when ‘bureaucrats can make or break the business by coming out with decisions that … can kill a business off’. He refers to an example in the dancewear market, when the EU changed legislation so that dancewear manufacturers were no longer allowed to restrict their sales to dance retail outlets. This opened up the market so that dance schools are now selling dancewear and there are also online dance suppliers who can sell directly to customers. It has resulted in dance shops, ‘closing at the same sort of rate as the pubs have been closing’.

Brian was quite passionate about the UK government’s lack of intervention to tackle perceived unfair competition between online and local retail businesses. For example, he found that there was a difference in business rates of about 8:1 per square foot between what he pays and what an online
competitor pay. He feels that the government could follow the example set by the USA and other countries, where taxes are imposed on exclusively online suppliers in order to, ‘level the playing field’. Felix Dancewear do have their own e-commerce website, though they like it to be a ‘shop window’ where customers can see the various styles of shoes that they would like to try on when visiting the shop. What might look great, might feel awful!

For Brian and Charmaine, one of the main measures of success is, ‘being able to turn a profit’. With increased competition this can be challenging. The adult dance shoes market is a very hard market to get into. Their advantage is that they are very strong in this area because of the wide selection of stock they have. Dancers need to personally fit their shoes so that they can get the right fit. However, this wide selection comes at a substantial cost and it means that they are now in a position where they, ‘can’t retire because no one could afford to buy the business from us’. When we talked about handing on the business to the next generation, Brian candidly acknowledged that their children see the hours they put in and say ‘no thank you’, though one daughter does help out in the shops sometimes.

An advantage of owning their own business is that they have been able to express their own values. For example, they try to support UK and European dance manufacturers as far as possible and, ‘the vast majority of our shoes are made in the UK’. Even though they get weekly approaches from other suppliers of cheaper products, for example from the Far East, they maintain this stance. It is the same in the school wear business that they have just expanded into. They inform the schools that ‘where possible we source UK made products’.

Brian admits that looking back, if he had to do it all over again he would not own and operate a small business especially if he had been able to continue in his old career - ‘my love is industry’. He spent seven years training as an electronic engineer and subsequently went into design and the commercial side. ‘I thoroughly enjoyed it. I wish I was still doing it.’ The dancewear business has continued but when they look back over the last 15 years, their decision to purchase a shop premises in Eastbourne in 2007, right at the start of the financial and economic downturn, is one he would make differently now. Brian sees this as a very difficult period for small businesses and adds that, ‘I don’t know anyone in their own business that would, hand on heart, say “yes this is great”.’ His peers are in similar positions where they cannot see themselves retiring because it would be difficult to sell their businesses. On balance, he would not recommend going into business these days because, ‘there are too many things against it and not enough for it’. He concludes with the half-serious suggestion that, instead of opening a business, someone might be better off working for the local authority, because the benefits are good and you, ‘can retire at 58’. Brian will be 76 in a few weeks and Charmaine is rapidly approaching 68!

Company website: www.felixdancewear.co.uk
Case study C: The Cotton Patch Ltd.

In 1989, Jean Sewell had the idea of opening a retail shop in patchwork and quilting supplies. Her husband, Geoff, was supportive of this idea and together they opened The Cotton Patch Ltd in Hall Green, Birmingham. They specialise in patchwork and quilting fabrics, books, wadding, notions (e.g. button, snaps, threads, etc.) and haberdashery. In the mid-1990s, their three children Liz, Nick and David joined them as directors. All of these family members are experts in their own right; Jean is a quilter, while Geoff has a background in computing and is great at negotiating, purchasing and importing. Liz has a business IT and accountancy background and now assists Geoff with accounting and marketing and manages the daily operations. Nick is a graphic designer and is involved in fabric selection and ensures that the website images are of excellent quality, and David developed and maintains their website. This is very much a family business, which now includes the third generation. One of Jean and Geoff’s granddaughters and her partner are currently working in the business. The Cotton Patch employs 30 people; many are also quilters and can therefore help customers deal with quilting challenges. Most of their products are sourced from manufacturers in the USA, and from specialist distributors for some product ranges. The Cotton Patch sells direct to its customers via its retail shop and website.

Their market is made up of a wide range of shops providing fabric, products and quilting classes and also attending Quilt Shows. Jean recalls that trade could be slow in the early days, and on one occasion she only managed to sell a single reel of thread for 75 pence.

The business has grown dramatically since that time, mainly because of the website, which now accounts for over 80% of total sales. Geoff recalls that, with his background in computing, he could see early on that having an online presence would be important to build the business, so they established a website in the mid-1990s. He believes one of the advantages of owning your own business is that, ‘you are in charge of your own destiny. It’s as good as you can make it run.’ He added that there are always opportunities that could be taken advantage of. However, he also feels that a real disadvantage of owning your own business is the continuous pressure to compete: ‘you need constantly to be moving forward, controlling costs rigidly …’ and meeting sales targets. They have daily financial targets which they monitor in order to keep, ‘everybody informed of how the company is performing’.

Over the years, Jean and Geoff have expanded the business by acquiring long-armed sewing machines, a significant investment costing around £4,300 to £21,000 each. They have also rented a 1,200 square feet studio, located about 200 yards from their premises, to provide training in basic patchwork and quilting. Since The Cotton Patch also supplies sewing machines to their customers, the studio operates as a showroom where they can provide demonstrations. Teachers are brought in each year, mainly from the USA, a service that has proved popular among their clients. The Cotton Patch also exhibits at trade shows, including the UK Festival of Quilts, a major event, which attracts around 35,000 people from across the world. They have been participating for about 12 years and have demonstrations of the latest products that also include their long-arm quilting machines.

When asked whether they would, ‘do it all over again’ Geoff responded without hesitation: ‘yes!’ – he would definitely open his own business. Jean, on the other hand, joked that she was not so sure. Her initial idea had just been to have a little shop where friends could drop in for a cup of coffee. Nevertheless, with their children participating in the business they have been able to cut down on the
number of days they work – Jean now does three days a week, while Geoff works four and sometimes five days.

Geoff believes that for new business owners getting financial support is still difficult. He sees, ‘a real problem with banks, they want security, which is understandable but it makes it tough’. He advises new business owners to plan to control cash flow well and to make sure they understand their market. In his words, ‘Anybody can sell. You must also buy at the right price to be able to compete and to be able to make sufficient margins to cover the overheads.’ Geoff also reminds them not to forget VAT! When starting out, small businesses may not need to register for VAT because their income is low. However, when they grow they VAT registration can create problems through its impact on prices and competitiveness. He adds that businesses should always provide good customer service, ‘the customer is always right even when they may not be right’. He and Jean ensured that they established good service from the start. The Cotton Patch employees are encouraged to take the initiative in order to turn a dissatisfied customer around. However, ‘you can’t leave a problem as a running sore’, so if a member of staff is unable to resolve a problem it goes to Geoff’s desk and he will deal with the customer personally.

Company website: www.cottonpatch.co.uk
How the survey is carried out

This is the 119th survey report completed since theQuarterly Survey of Small Business in Britain was created in 1984. The small and medium-sized firms that respond to the survey are drawn from a large telephone omnibus survey and a parallel online survey. The aim of the sampling strategy is to provide a fair representation of the SME population while also enabling the research team to explore the inherent complexity and richness of business life today. It should be noted that the survey sample is not a panel, nor is it fully random. The online survey continuously recruits new members to reflect the national distribution of small firms but also seeks to retain respondents over the longer term in order to support the more in-depth questions and case studies, and to provide insights into the changing experiences of SME owners and managers over a more extended period.

The survey combines the questionnaire responses of our regular online sample (i.e. owners and managers of small businesses who had previously volunteered to take part) with responses from telephone interviews conducted on our behalf by BDRC as part of their Business Opinion Omnibus survey\textsuperscript{20}. The link to the online questionnaire was emailed to regular respondents on 14\textsuperscript{th} April, 2014 and a reminder email was sent to non-respondents on 8\textsuperscript{th} May, 2014. This generated 197 valid usable responses in total. A total of 870 telephone interviews were carried out in two monthly waves. In the first wave, a total of 446 telephone interviews were conducted between the 7th and 17th April 2014. In the second wave, a further 424 telephone interviews were conducted between the 6th and 16\textsuperscript{th} May 2014. This generated an overall total of 1,067 responses. The online survey was conducted using Qualtrics survey software. The two sets of survey data were combined, checked and analysed using the SPSS statistical package.

There are some differences in the composition of the two sub-samples. For example, the telephone survey does not include firms with a turnover below £50,000 and few of the online survey respondents have more than 50 employees. The telephone survey sample includes more firms established since 2006, compared to that obtained from our regular online respondents. There are also some sectoral differences (e.g. there is higher proportion of telephone respondents in the business services and manufacturing sectors, but somewhat lower proportions in health, education, leisure & other and hotels & restaurants).

For tables by number of employees, we have adopted the BIS definition of a firm with no employees. This is where a self-employed sole proprietor or partners work on their own with no employees, or where a limited company has a single employee director (n.b. a firm with one sole proprietor and one employee is counted as a one employee firm; a company with two employees is counted as a two employee firm). Barclays Bank also provides its latest estimates of small business closures and starts, and their Small Business Activity Index, which are used as indicators of recent performance. A full set of historical tables is available on request, and will continue to be available as a resource for researchers. For more information on the survey, please contact oubss-enterprise@open.ac.uk.

\textsuperscript{20} The telephone survey is part of BDRC’s Business Opinion Omnibus and draws a sample of SME owners and other senior managers. Further details are available at: http://www bdrc-continental.com/research-specialisms/business-omnibus/
Survey questionnaire – Q2 2014

This is the text of the ONLINE questionnaire

USE OF DATA: The details requested are for the purpose of carrying out research into small firms and will not be passed to third parties for the purpose of unsolicited advertising or any other unauthorized purpose. The Open University strictly adheres to the Data Protection Act, and this information will be treated in confidence.

1 What is the legal status of your business?
   Private (limited) company; Partnership; Self-employed sole trader / sole proprietorship; PLC; Other

2 In which of the following ranges is your firm’s annual turnover (excluding VAT):
   Less than £50,000; £50,000 - £99,999; £100,000-£249,999; £250,000-£499,999; £500,000-£999,999; £1m-£5m; Over £5m

3 Are the owners of the business..?
   Mostly male; Mostly female; roughly equal male/female ownership

4 Including yourself, how many people work in the business including both full and part-time workers?

5 How many years has your present business been trading?

6 What is the main activity of your business?

7 What county or large city is your business located in?

8 Please enter your Business Postcode:

9 Is your business wholly or largely owned and controlled by members of one family?
   Yes; No; Don’t Know

10 Is your business based at home and primarily operated from your home?
    Yes; No

11 What encouraged you to base your business at home?

12 Entrepreneurial firms are more competitive, growth-minded and innovative than other firms. Where would you put your firm on a scale of 1 to 10 where 1 means ‘Not at all entrepreneurial’ and 10 means ‘Extremely entrepreneurial’?

In the following questions, we are interested in what you see as the best and worst aspects of owning and / or managing a small or medium-sized business, in comparison to alternative career options such as working as an employee in a larger organisation. We will also be asking about the way people measure the success of their businesses.

13 People report various ADVANTAGES of owning and / or managing a smaller business. Out of the following, please select THREE advantages that you see as most important. Please rank these in order of MOST important, SECOND most important, and THIRD most important.

   Opportunity to obtain greater personal wealth and / or earnings; Can be more creative and / or innovative; Greater variety or work; More flexible working hours; Able to work from home; Opportunity to follow a personal interest and / or vocation; Can increase status of social standing; Avoids negative aspects of working for a larger organisation (e.g. office politics, job insecurity); Can be your own boss; It’s necessary for the kind of work I do.
13a Please give an example from your own experience to show why you think they are the most important ADVANTAGES (of owning and / or managing a smaller business).

13b Are there any other important ADVANTAGES you would want to include?

14 People report also various DISADVANTAGES of owning and / or managing a smaller business. Out of the following, please select THREE disadvantages you see as most important. Please rank these in order of MOST important, SECOND most important, and THIRD most important.

Potential for failure and / or loss of personal assets; Longer working hours; Increased work-related stress; Isolation / loneliness; Poor pay and remuneration; Feeling trapped / unable to develop; Poor fit with family life; Difficulties in employing staff; Problems in getting and retaining customers; Problems in dealing with difficult suppliers.

14a Please give an example from your own experience to show why you think they are the most important DISADVANTAGES (of owning and / or managing a smaller business).

14b Are there any other important DISADVANTAGES you would want to include?

15 In previous studies, small business owners have identified the following 10 ways to measure their success. Please select the THREE measures that you personally consider to be the most important. Please rank these in order of MOST important, SECOND most important, and THIRD most important

Profitability (high yields, good profit margin); Growth (growth in the number of employees, sales, market share and/or distribution); Innovation (introduction to new products or production methods); Firm survival/continuity (enables generational transfer or can be sold with a profit); Contributing back to society (socially conscious, environmentally sustainable production methods); Personal satisfaction (attaining important things in life, such as autonomy, challenge, security, power, creativity, etc.) Satisfied stakeholders (satisfied and engaged employees, satisfied customers); Good balance between work and private life (positive mutual influence between work and private life, allows time for yourself, family and friends); Public recognition (good reputation, prize-winner); Utility of usefulness (organisation fulfills a need in society; provides important service or product)

15a Why do you see your ‘top three’ success criteria as particularly important?

15b Are there any important other success criteria you would want to include?

16 Which of the following best describes your objectives for the business over the next three years?

Stay the same size; Reduce size; Expand moderately; Expand significantly; Sell the business; Close the business.

16a Please outline the reasons for any recent or proposed changes in your business objectives

17 Owners and managers sometimes say that they can express their values through their businesses. Do you think this is the case?

Yes; No; Don’t know / other

17a Please give an example from your own experience to show how this works in practice?

17b Please give an example from your own experience to show why this is not the case?

18 Which of the following would you describe as your main customer base?

Individuals and / or households; Other small businesses; Larger businesses; Public sector organisations

19 Where is your main customer base located? Would you say…?

Locally (i.e. in my village and or town); Regionally (i.e. in my country / city region); Nationally (i.e. elsewhere in the UK); Internationally (i.e. outside the UK)

20 Please enter any comments you have on the issues raised in the questionnaire

Publicity opportunity

If you would welcome the publicity of being featured as a small business case study in a press release or web article for this or future surveys then please give your name and telephone number and we may contact you: Title; First Name; Last Name; Email address
Recent special topics

2014

Q1  Networking trends
Q2  Goals, Values and Success Criteria

2013

Q1  Mobile and web based services
Q2  Job creation and contracting out
Q3  Business advice and information
Q4  Resilience and recovery

2012

Q1  Retirement, succession & illness
Q2  Business advice & education
Q3  Education, training & skills development
Q4  SMEs and the British Business Bank

2011

Q1  ICT, smartphones, cloud computing
Q2  Capital allowances
Q3  Focus, employment, ‘greening’ business
Q4  Post-recession trends

Next quarter’s topic: Competing in the European Union