

## **Coverzones 2009 SME Healthcheck Report**

---

### **Contents:**

- P.1 Executive Summary
- P.2 Perceptions of government aid initiatives
- P.4 State measures that would most aid UK SMEs
- P.6 Perceptions of UK trade bodies
- P.7 Politicians which UK SMEs consider best understand the needs of small businesses
- P.8 UK SMEs views on UK political parties
- P.9 Methodology

### **Executive summary:**

Small to medium sized enterprises (SMEs) are feeling next to no practical benefit from existing government initiatives to help small businesses and are calling for the state to lower business taxes and offer National Insurance holidays.

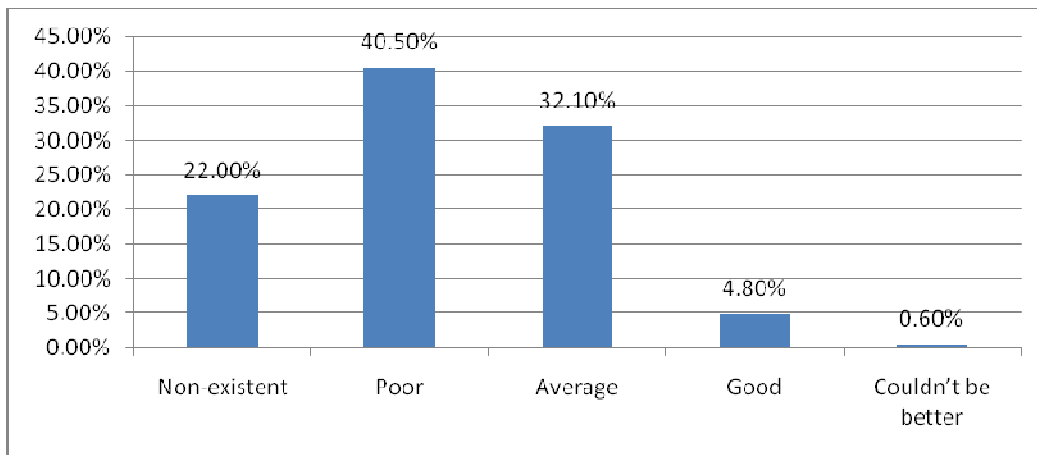
Existing government measures are regarded as ineffective and David Cameron and The Conservative Party have gained a considerable lead over Labour among the SME community who feel that their needs are being poorly represented by industry trade bodies.

**Perceptions of government aid initiatives:**

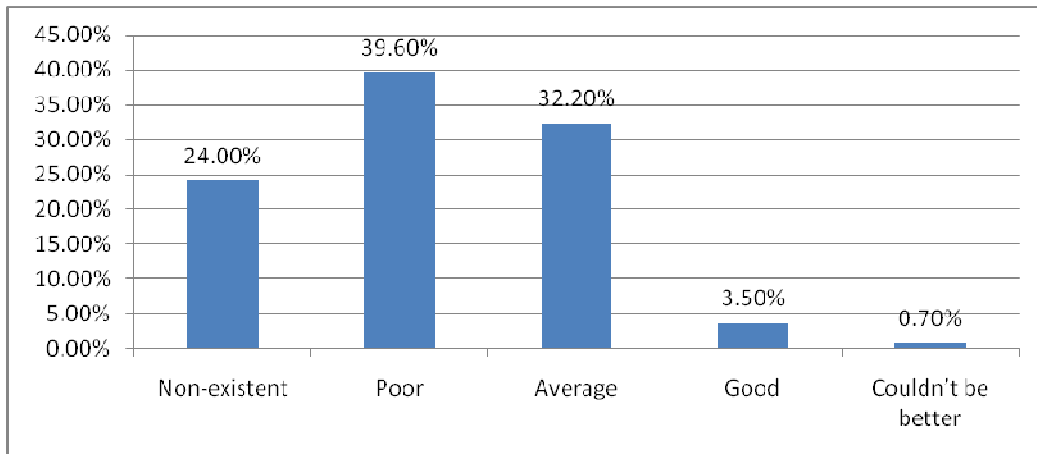
The majority of UK SMEs (63 per cent) claim that the government has not done enough to support their enterprises during the recession. Just 4.8 per cent of SMEs would rate the government’s support as good while, 32.1 per cent would describe it as average and 40.5 per cent as poor. 22 per cent of SMEs claim that government support for their businesses is non-existent.

**UK Companies rating of the Labour Government’s performance in helping small businesses**

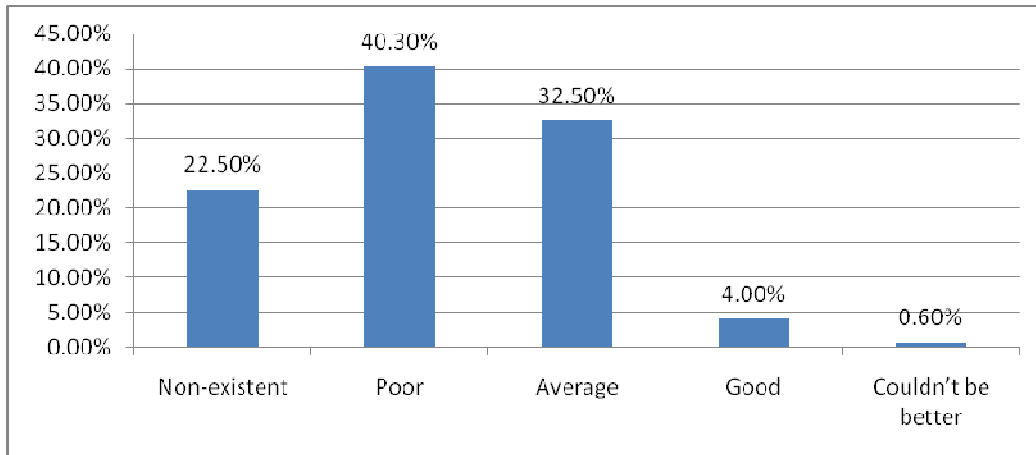
**TOTAL SAMPLE**



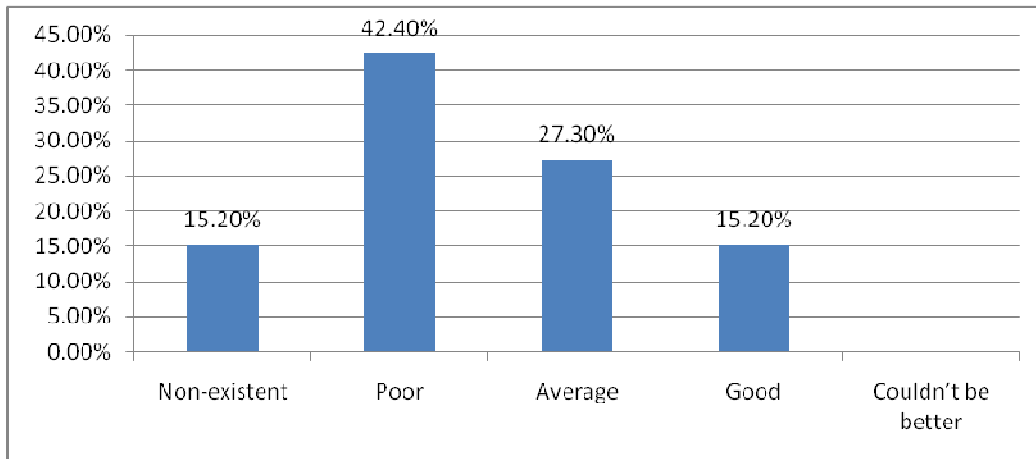
**SMEs with fewer than 50 employees**



**SMEs with 50-100 employees**



**SMEs with more than 100 employees**



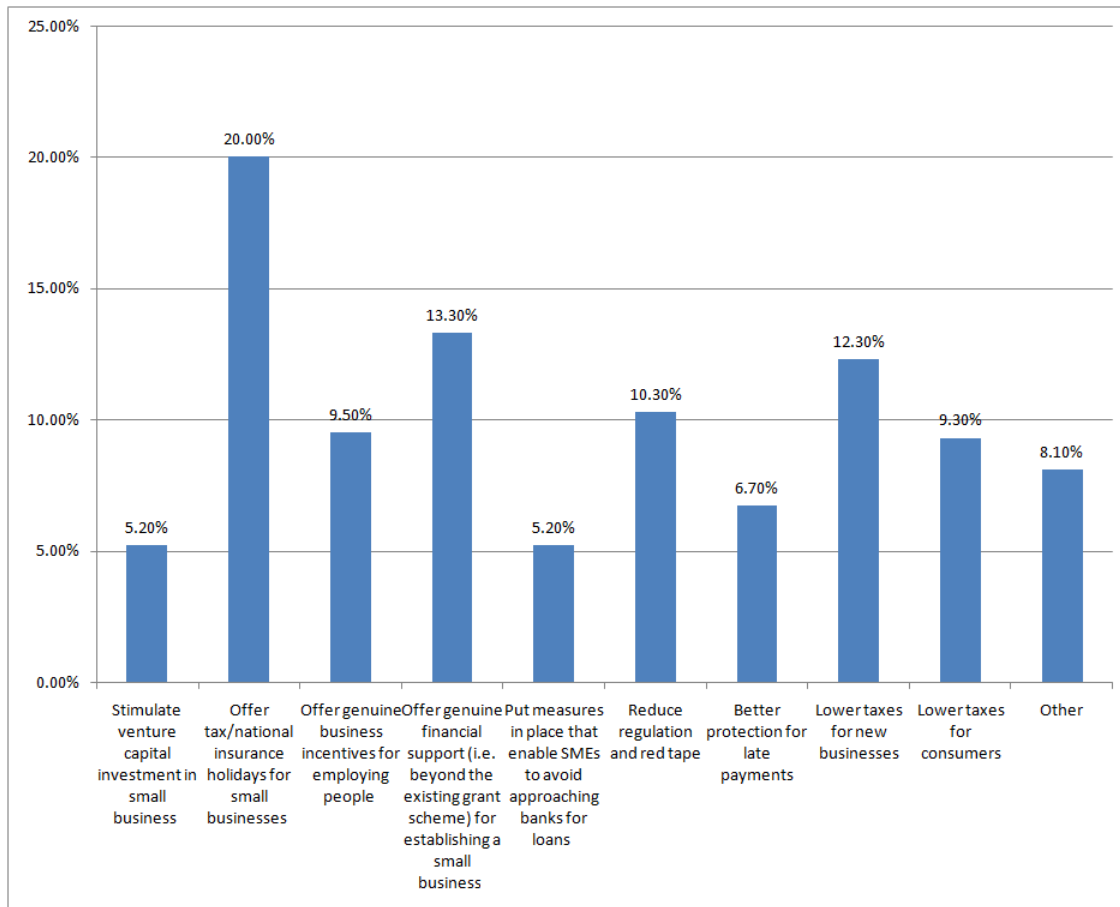
**State measures that would most aid UK SMEs:**

Beyond existing government schemes, the state initiative that SMEs claim would most help their businesses are holidays in PAYE/National insurance (20 per cent) while 13.30 per cent called for genuine financial support for establishing a small business.

Another 12.3 per cent called for lower taxes for new businesses and one in ten (10.30 per cent) called for a reduction in red tape and regulation.

These sentiments were particularly pronounced among SMEs with 2-3 employees with 33 per cent calling for PAYE/National Insurance holidays and 19 per cent calling for lower taxes for new businesses.

**State measures UK SMEs claim would help their businesses most in the current economy**



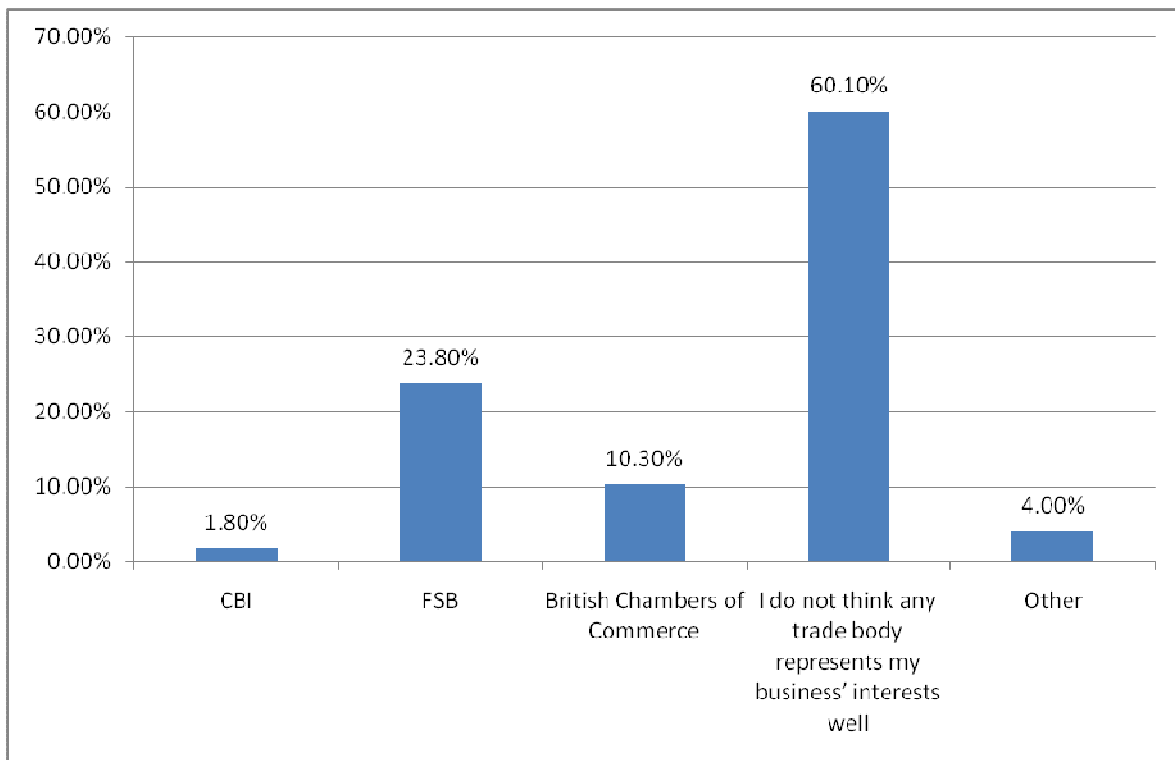
Stimulate venture capital investment in small business	5.20%
Offer tax/national insurance holidays for small businesses	20.00%
Offer genuine business incentives for employing people	9.50%
Offer genuine financial support (i.e. beyond the existing grant scheme) for establishing a small business	13.30%
Put measures in place that enable SMEs to avoid approaching banks for loans.	5.20%
Reduce regulation and red tape.	10.30%

Better protection for late payments.	6.70%
Lower taxes for new businesses.	12.30%
Lower taxes for consumers.	9.30%
Other.	8.10%

**Perceptions of UK trade bodies:**

60 per cent of UK SMEs claim that trade bodies have failed to adequately represent their interests in the current economic climate. This sentiment is particularly strong among sole traders where 71 per cent claim that no trade body adequately represents their needs.

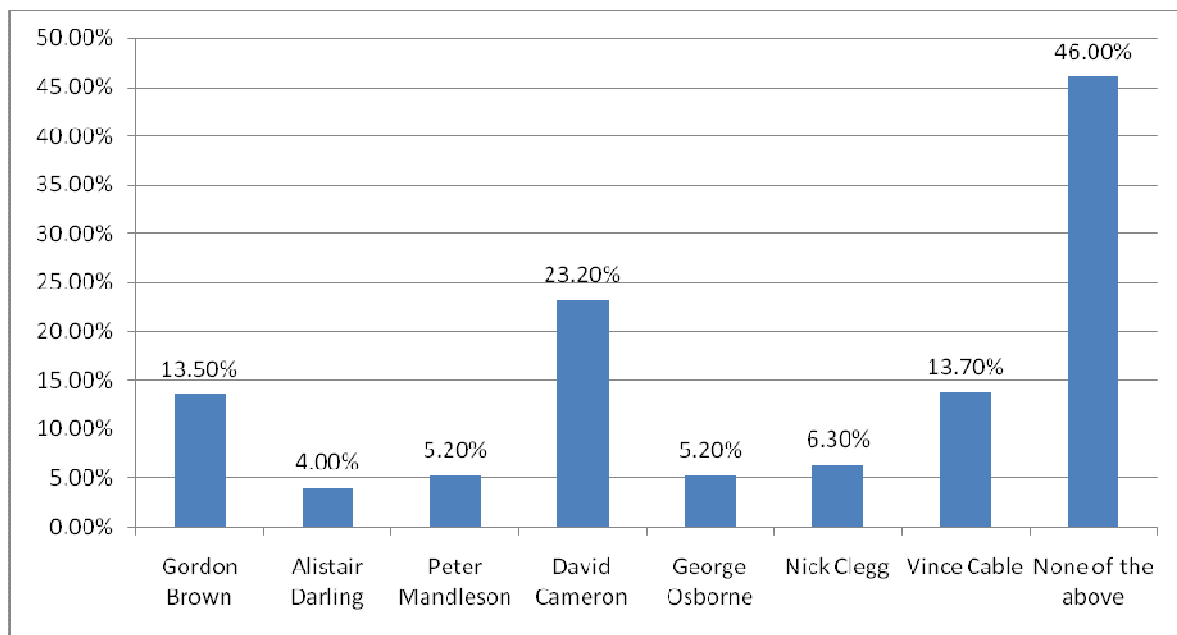
**UK SMEs perception of trade bodies that best represent their interests**



**Politicians whom UK SMEs consider best understand the needs of small businesses:**

David Cameron is the politician that SMEs feel best understands their needs (23 per cent) followed by Vince Cable (13.7 per cent), Gordon Brown (13.5 per cent), Peter Mandleson (5.2 per cent) and Alistair Darling (4 per cent). In SMEs employing four to five staff, these views are more polarised with David Cameron gaining greater support (30 per cent) and Gordon Brown being supported by just 2.5 per cent of companies.

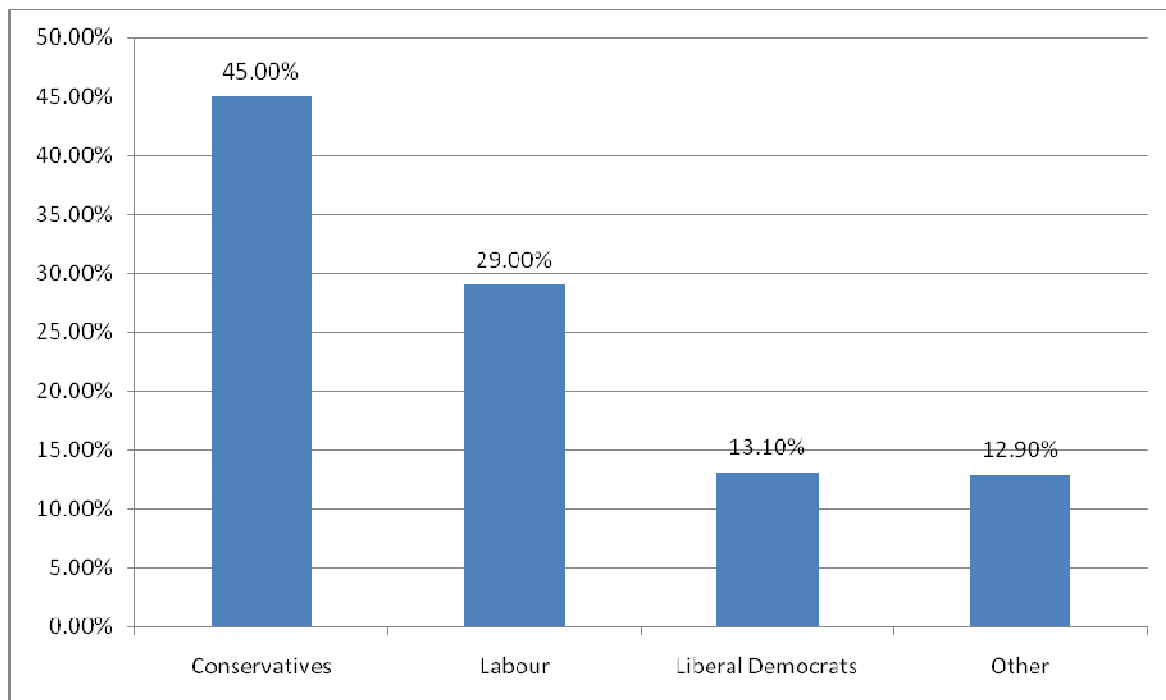
**UK SMEs views on which politicians that best understand the needs of small businesses**



**UK SMEs views on UK political parties**

When asked, if a general election was held tomorrow, which political party they were most confident could lead the country out of recession, 45 per cent of SME owners claimed they would vote Conservative, 29 per cent Labour and 13 per cent Liberal Democrat. This bias was strongest amongst owners of businesses employing four to five staff where 70 per cent would vote Conservative, 17.5 per cent Labour and 7.5 per cent Liberal Democrat.

**UK SMEs views on political parties they are confident could lead the country out of recession**



**Methodology:**

This report details the results of a survey conducted using online interviews of administered members of the Lightspeed Research GB panel who have agreed to take part in surveys. All figures, unless otherwise stated, are from Lightspeed Research. Total sample size was 504 UK SME financial decision makers. SMEs are defined as companies employing less than 250 staff. Fieldwork was undertaken between 4<sup>th</sup>-10<sup>th</sup> March 2009.

**For more information about Coverzones please visit [www.coverzones.com](http://www.coverzones.com).**

**For press inquiries please contact:**

Alasdair Townsend  
0207 038 0638  
[alasdair.townsend@diffusionpr.com](mailto:alasdair.townsend@diffusionpr.com)

Ivan Ristic  
0207 038 0640  
[ivan.ristic@diffusionpr.com](mailto:ivan.ristic@diffusionpr.com)