

Wednesday 29 April 2009

OPTIMISM RIDES HIGH FOR LONDON SME OWNERS

Nearly two thirds of London SME owners (65%) believe their businesses will be through the current economic crisis within six months, with a quarter already seeing things get better, according to research published today by London-based accountants Shelley Stock Hutter LLP. For some businesses, optimism rides high with one in ten business owners predicting that 2009 will be one of their best years.

The research, conducted earlier this month (April) of 222 London business owners found that 64% of those polled maintained their staffing levels since November 2008, with 18% actively recruiting (or having done so recently). Less than a quarter of businesses (22%) have made redundancies over the past six months, although 4% admitted that they may have to make some redundancies in the short-term.

Other highlights of the research include:

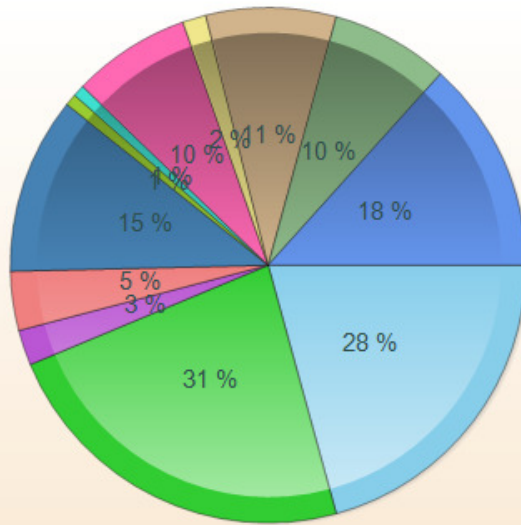
- Cashflow problems have given SME owners the most sleepless nights during 2009 (31%), with finance and banking matters (28%) and employee issues (15%) also highlighted as top concerns. In contrast 11% have been free of worry and have not had any sleepless nights this year;
- Late payment continues to be a problem for SMEs: 58% of SME owners have noticed their customers are paying later since Autumn 2008; (21% have noticed a delay by a few weeks, 18% a delay by a month or more and 2% stated they will be lucky to receive the money).

According to Bobby Lane, Partner at Shelley Stock Hutter LLP: “The results from our survey are more than encouraging. 77% of those who took part own or work in businesses that employ 50 people or less, and their outlook on the recession is decidedly more positive than a lot of the recent headlines may suggest.

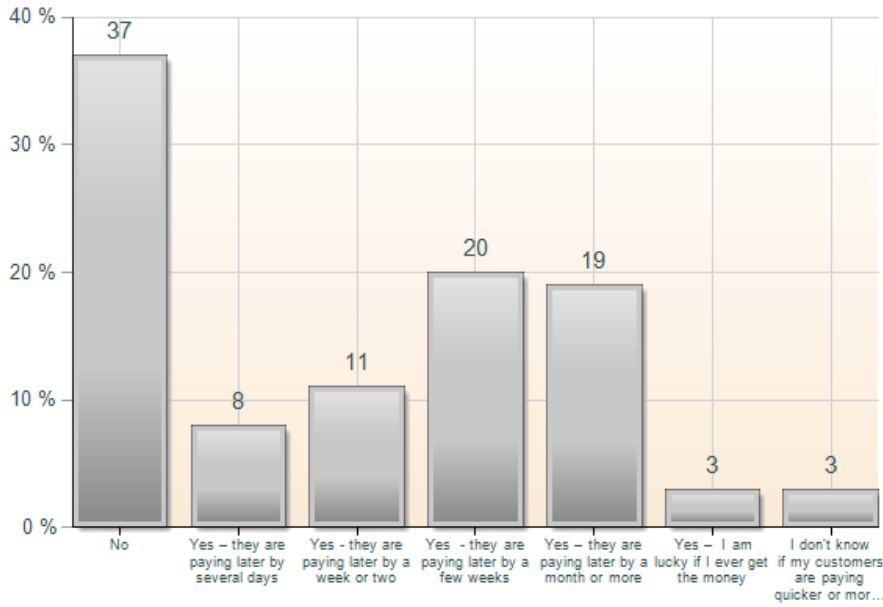
“The optimism being felt among the London SMEs we polled reflects that many are not as exposed to the debt and financing problems facing the larger businesses and are more flexible. In many ways, they have been less affected by the economic crisis than the larger businesses. The companies we surveyed are demonstrating that they are trying to avoid redundancies by being more creative with their solutions and that they can currently see things improving or at the latest within the next six months”.

Bobby Lane added: “Despite this optimism, the coming year is set to be a difficult time for many businesses and few will be encouraged by the lack of assistance within the recent Budget, but London SME businesses are showing resilience and positivity, and this makes them better positioned than many larger businesses to survive the recession”.

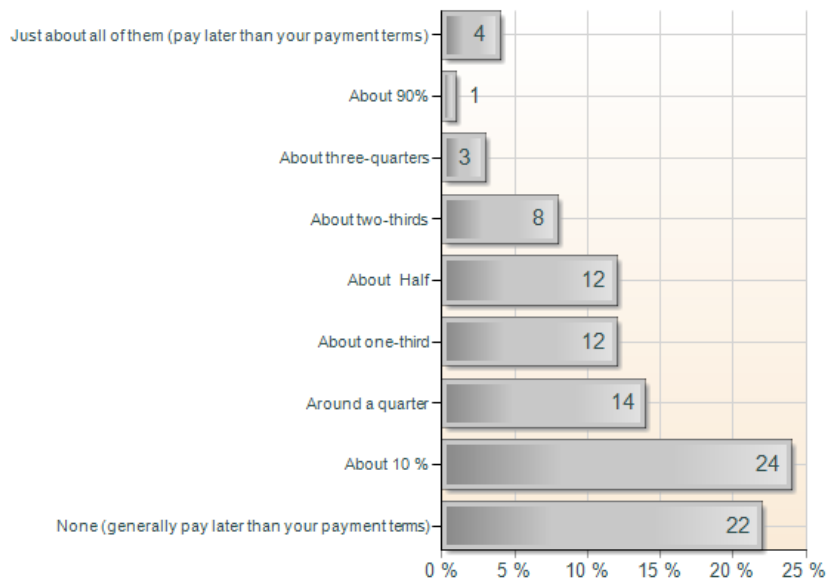
The full research:



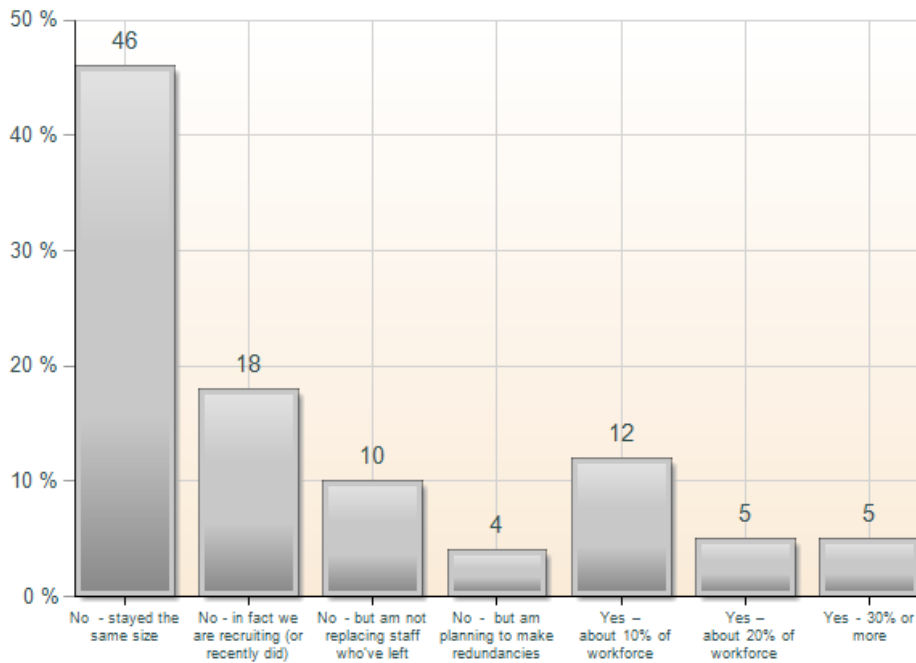
Have you noticed a change in your customers' speed of payment since the Autumn?



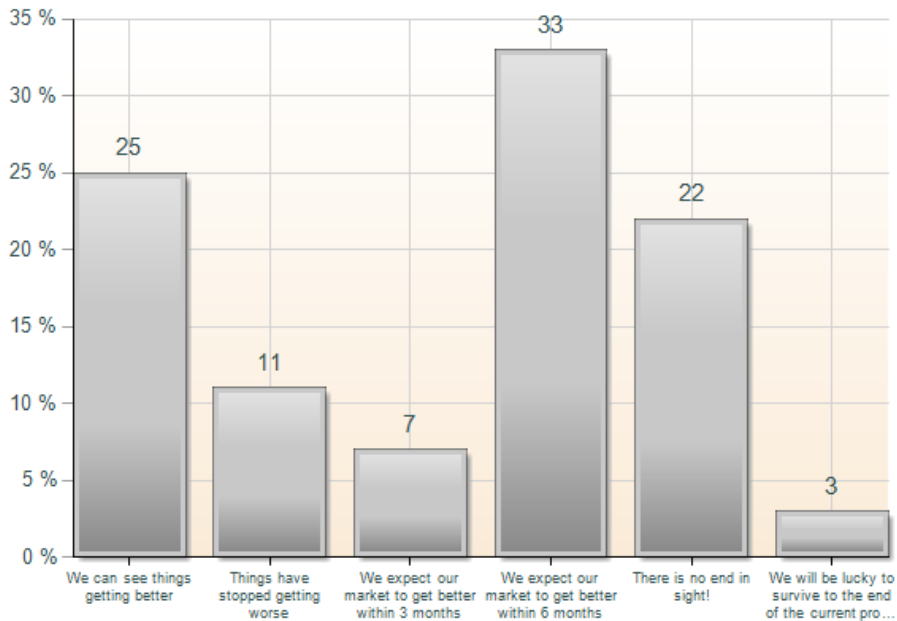
What proportion of your customers would you estimate pay much later than your payment terms?



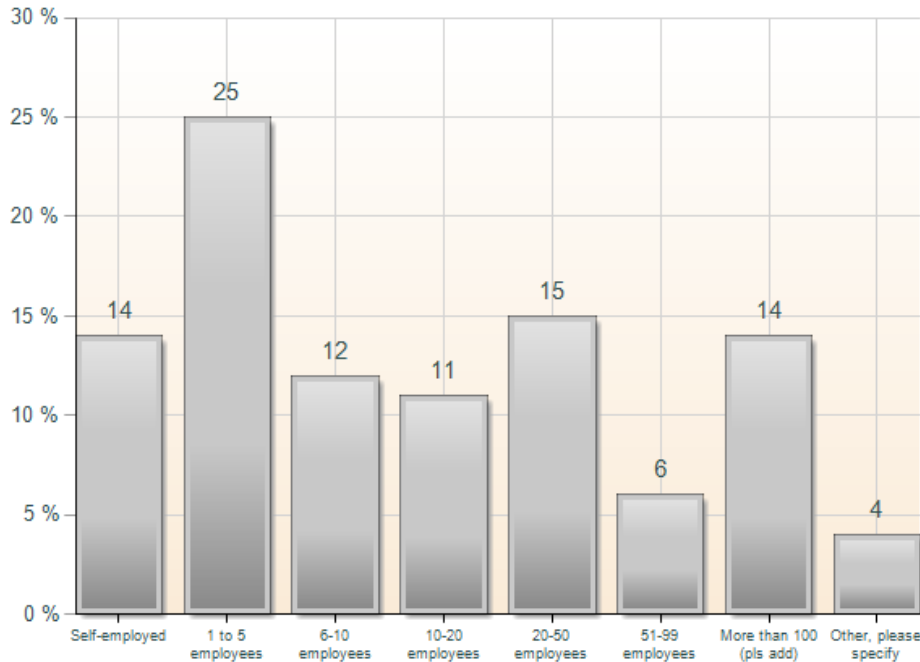
Have you made any redundancies since November 08?



When do you think your business will be through the current economic problems ?



Which best describes your business size?



-ends-

Notes to Editors:

Shelley Stock Hutter LLP asked 226 London business owners for their experiences, expectations, hopes and fears in this current economic downturn. The survey was conducted online between 1 and 27 April 2009.

Issued by Kelso Consulting (PR advisers) on behalf of Shelley Stock Hutter LLP

For further information please contact:

- Sam Pepper/Will Richardson at Kelso Consulting (PR advisers) on 020 7242 2272
- Bobby Lane, Shelley Stock Hutter on: 08456 44 66 18

About Shelley Stock Hutter:

Shelley Stock Hutter LLP (2008 Accountancy Age Awards Medium Firm of the Year) was established in 1989 and is based in London's West End. For more information please visit www.sshllp.com