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Press Release

UK Small Businesses Keen to Embrace New Technology, Yet Lack IT Vision that Could Save Time and Money

Reading – UK – 30 January 2007 – Small business owners in the UK have made fundamental shifts in the way they use computers, yet many are still missing out on the full potential of IT, according to a YouGov survey commissioned by the British Chambers of Commerce and Microsoft. The results of the survey were unveiled today at the UK launch of Windows Vista and the 2007 Microsoft Office system, held at the British Library.

Whereas IT was once used mainly for accounting and book-keeping - and continues to be - communication with customers and suppliers now comes in a very close second. 85 percent of respondents stated this as one of the main activities they carry out on their computer. Furthermore, Britain is fast becoming a nation of 'web keepers,' with 82 percent of small businesses surveyed embracing the internet and having a web presence.

However, time-constrained owners and senior managers are having to spend too much time on tasks that are not considered a priority. Instead of devoting time to client management and customer service, they are getting bogged down by looking for files and records, dealing with government red tape and fixing IT problems associated with IT security and data storage. Simple changes can help business owners reprioritise their workloads to achieve increased efficiency and reign-in costs. Areas highlighted in the research include:

- Loss of data is considered to be one of the key reasons for business inefficiency, yet **half** of small businesses are not backing up their data on a daily basis. With the DTI[1] estimating that seven out of ten companies go out of business after major data loss, this is not an issue to be taken lightly.
- IT security failures are costing two-thirds of the businesses surveyed an estimated **£1,259** per annum. Yet two-fifths of respondents have not even installed a basic firewall onto PCs and over half don't automatically patch or update all the PCs in the

business. Windows Vista now incorporates more security features, including firewall protection.

- The estimated cost of outsourcing the production of marketing materials is significant, at just over **£6,000 a year.** Yet small businesses are not fully harnessing their PCs to develop marketing materials themselves, which can easily be done through programmes such as the 2007 Office system.
- While 82 percent of small businesses surveyed have a web presence, **less than a third** of them are using it to trade. This represents a huge potential growth opportunity through e-commerce.
- Finally, the majority of small businesses surveyed claimed that it was their personalised approach to customer service that set them apart from their competitors. However **at least a fifth** of businesses are not using their PCs to maintain client and supplier databases.

David Frost, Director General, British Chambers of Commerce, said: "This research shows how far small businesses have come in recent years and how much they all rely on their computers. It is particularly striking how email communication is so widespread. But too much time is still being taken up fixing problems that could have been avoided. This is time they can ill afford to waste because it takes them away from those activities that really impact their success, like dealing with customers. Regularly performing some simple tasks like data back-up or scanning for viruses can make all the difference and now this couldn't be easier to do."

Scott Dodds, head of small and medium business, Microsoft UK, added: "With 74 percent of small businesses managing their IT without specialist help, they need computer systems that are easy to use and manage. It is encouraging to see that small businesses increasingly understand the value that IT can deliver. Now, we hope they will go one step further and explore how it can better support their business. We believe that the systems we are launching today will help small businesses focus on the issues that are most important to them."

Windows Vista and the Microsoft Office 2007 system are available at all major UK retail outlets from January 30 2007. The products are also available to any company with more than five PCs through a licensing programme called Open Value.

For further information please visit: *http://www.bcentral.co.uk*

- Specific information on Windows Vista is available at: http://www.bcentral.co.uk/products/microsoft-windows-vista-business-edition-for-small-businesses.mspx
- Specific information on the 2007 Office system is available at: http://www.bcentral.co.uk/products/microsoft-office-2007-small-business-edition-overview.mspx

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[1] ***DTI, 2005***

Notes to editors

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 785 managers/ directors who work in a business with 2-50 employees. Fieldwork was undertaken between 4th - 11th January 2007. The survey was carried out online. The data has not been weighted.

About the BCC

The British Chambers of Commerce (BCC) is the authentic voice of British businesses. The BCC sits at the heart of a powerful nationwide network of Accredited Chambers of Commerce serving business across the UK, which employ over five million people.

About Microsoft Corporation

Founded in 1975, Microsoft Corporation (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realise their full potential.

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YouGov Survey Results

Sample Size: 785

Fieldwork: 4th - 11th January 2007

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		Gender		Age			Region				
	Total	Male	Female	18 to 29	30 to 50	Over 50	London	Rest of South	Midlands / Wales	North	Scotland
All respondents	785	602	183	54	409	322	163	313	110	141	50
	%	%	%	%	%	%	%	%	%	%	%
Including yourself, approximately how many people are employed at your place of work in total?											
2 to 5	**51**	50	51	41	47	57	44	50	57	50	58
6 to 10	**17**	17	17	26	18	15	20	16	16	18	14
11 to 15	**9**	9	10	15	11	6	12	8	11	5	10
16 to 20	**6**	7	3	9	6	6	4	6	4	10	4
21 to 25	**5**	6	5	2	6	5	4	7	3	5	4
26 to 30	**6**	6	5	4	6	6	7	5	4	6	8
31 to 35	**2**	2	2	2	2	3	2	3	4	1	0
36 to 40	**1**	2	0	0	2	1	1	2	1	3	0
41 to 45	**1**	1	2	2	1	1	2	2	0	0	0
46 to 50	**2**	1	4	0	2	1	4	1	1	1	2
What level of management responsibility, if any, do you hold?											
Owner/ Proprietor	**47**	49	41	20	43	56	39	45	54	52	50
Board level manager / Director	**28**	30	21	26	30	25	29	29	27	23	28
Senior manager or Director below board level	**26**	22	38	54	27	20	32	26	19	25	22

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		Gender		Age			Region				
	Total	**Male**	**Female**	**18 to 29**	**30 to 50**	**Over 50**	**London**	**Rest of South**	**Midlands / Wales**	**North**	**Scotland**
All managers/ directors who work in a business with 2-50 employees	**785**	602	183	54	409	322	163	313	110	141	50
	%	%	%	%	%	%	%	%	%	%	%
Which, if any, of the following sectors does your business operate in? If your business operates in more than one sector, please select that which you consider to be the main one.											
Business/ Professional Services / Management Consulting	**13**	14	10	11	12	16	15	14	13	10	16
IT / Telecoms	**12**	14	7	13	16	7	10	17	14	7	8
Advertising / Marketing / PR / Media	**10**	10	13	17	12	7	19	11	4	6	6
Retailing	**8**	8	8	11	9	6	10	5	7	11	6
Leisure / Hospitality	**6**	6	8	11	4	7	3	5	5	13	4
Banking / Financial Services / Insurance	**5**	6	2	2	6	4	3	6	7	6	4
Construction / Building Services	**5**	6	4	6	4	7	4	5	3	7	16
Education / Teaching/ Tuition	**5**	4	10	4	5	6	4	5	5	7	8
Manufacturing	**5**	6	3	2	3	9	2	6	8	5	4
Health / Medical / Social care	**4**	4	4	6	4	4	2	4	6	5	6
Government / Civil Service	**1**	0	2	0	1	0	1	0	0	1	0
Other	**24**	22	30	19	22	27	28	21	28	21	22

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All managers/ directors who work in a business with 2-50 employees	**785**	602	183	54	409	322	163	313	110	141	50
	%	%	%	%	%	%	%	%	%	%	%
Which FIVE of these day-to-day tasks take up the MOST of your time? [Please tick up to five]											
Customer service	**49**	50	43	41	47	52	41	50	61	45	48
Looking after/ managing the workplace	**45**	44	50	39	45	46	39	47	41	51	44
Client management	**42**	44	32	39	47	35	49	43	40	32	44
Staff management	**32**	31	35	43	33	28	37	31	31	32	20
Looking for information/ files/ records	**29**	30	27	31	22	38	28	29	28	31	32
Government 'red tape'	**23**	25	18	7	20	31	22	22	35	21	14
Staying ahead of the competition	**23**	25	17	19	24	24	26	23	21	28	14
Creating marketing and promotional materials	**19**	19	20	35	19	17	25	19	12	20	16
Chasing payments/ invoices	**17**	16	20	24	18	16	21	15	18	18	16
Organising workplace supplies/ materials	**16**	14	21	15	15	17	12	13	20	20	18
Time spent fixing computer/ IT problems	**16**	18	13	17	19	13	18	17	12	13	18
Paying salaries/ suppliers	**12**	10	17	17	9	15	11	11	16	14	6
Chasing suppliers	**10**	11	8	7	13	7	10	10	9	11	12
Recruitment	**6**	5	6	9	8	2	9	4	4	7	0
Backing up data	**5**	4	7	2	4	6	4	4	8	4	6
Other (please type in below)	**18**	17	24	19	21	16	23	20	15	11	16
None of these	**6**	6	5	6	6	6	6	5	5	9	8

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		Gender		Age			Region				
	Total	**Male**	**Female**	**18 to 29**	**30 to 50**	**Over 50**	**London**	**Rest of South**	**Midlands / Wales**	**North**	**Scotland**
All managers/ directors who work in a business with 2-50 employees (with IT)	**780**	598	182	54	405	321	162	313	108	139	50
	%	%	%	%	%	%	%	%	%	%	%
Which, if any, business processes and/ or activities does your business currently use a computer/ IT to support? [Please tick all that apply]											
Book keeping and accounting	**86**	87	84	80	85	88	91	88	83	80	82
Communicating with customers and suppliers	**85**	87	79	85	86	83	85	90	81	77	78
Storing important documents	**80**	81	75	87	82	76	85	81	75	78	76
Maintaining client and supplier databases	**78**	78	77	74	78	77	85	78	74	73	74
Maintaining a website	**70**	70	70	80	75	61	79	73	62	63	60
Producing sales and marketing materials	**64**	66	59	70	69	57	71	66	57	55	72
Staff salaries	**62**	61	64	67	64	58	64	63	58	60	62
HR/ personnel	**31**	32	28	44	35	23	36	33	24	26	34
Other	**16**	17	13	13	21	10	17	17	16	14	12
Don't know	**0**	0	1	0	0	0	1	1	0	0	0
None of these	**1**	0	2	0	0	1	0	0	1	1	0
Which, if any, of these factors have had a negative effect on your business's efficiency in the past? [Please tick all that apply]											
'Down time' of IT systems/ PCs	**42**	45	34	56	47	35	54	44	31	37	38
Not being able to access the right information quickly and easily enough	**31**	33	26	37	33	29	35	31	28	32	26
Losing data	**29**	29	29	43	30	25	32	29	25	29	26
Inefficient filing of documents	**27**	29	19	33	27	26	31	27	24	27	14
Lack of ability to work while away from the primary workplace	**18**	19	18	20	20	17	23	15	24	17	18
Re-creating information/ documents	**18**	20	13	26	17	18	20	17	20	17	16
Non-work related time spent on the internet	**14**	16	10	24	17	9	20	12	10	17	10
Workplace environment (e.g. noise, chatter)	**11**	11	9	24	14	5	15	11	8	9	12
Other (please type in below)	**6**	5	7	4	6	6	4	8	5	4	2
None of these	**25**	23	30	20	21	31	20	23	29	27	36

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	Total	**Male**	**Female**	**18 to 29**	**30 to 50**	**Over 50**	**London**	**Rest of South**	**Midlands / Wales**	**North**	**Scotland**
All managers/ directors who work in a business with 2-50 employees (with IT)	**779**	598	181	54	404	321	161	313	108	139	50
	%	%	%	%	%	%	%	%	%	%	%
To the best of your knowledge, does your business back up its data files on a regular basis?											
Yes, every day	**50**	51	46	41	50	51	53	50	52	49	34
Yes, at least every couple of days	**11**	10	12	19	9	12	11	9	16	12	10
Yes, at least once a week	**15**	16	12	7	16	16	13	16	19	10	26
Yes, at least once a fortnight	**4**	4	5	2	5	2	3	5	1	4	6
Yes, at least once a month	**6**	6	6	7	5	7	5	8	4	6	4
Yes, but less often than once a month	**5**	5	5	7	5	5	6	4	2	7	12
Yes, but very rarely	**6**	6	7	7	6	5	5	6	4	9	4
No, never	**2**	1	4	7	1	1	1	1	4	2	2
Don't know	**2**	1	2	2	2	1	2	2	0	1	2

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	Total	**Male**	**Female**	**18 to 29**	**30 to 50**	**Over 50**	**London**	**Rest of South**	**Midlands / Wales**	**North**	**Scotland**
All managers/ directors who work in a business with 2-50 employees (with IT)	**779**	598	181	54	404	321	161	313	108	139	50
	%	%	%	%	%	%	%	%	%	%	%
Which of the following steps, if any, does your business take to ensure its IT systems are secure? [Please tick all that apply]											
Anti-virus on each PC	**91**	91	92	89	89	93	89	91	94	91	90
Firewall between company network and internet	**73**	77	57	63	76	70	78	76	68	65	66
Firewall on each PC	**60**	62	55	48	57	67	50	62	65	59	70
Automated patching / updating of all PCs in the business	**46**	49	36	37	50	41	47	49	48	37	38
Secure wireless networks to prevent unauthorised access	**37**	38	32	43	42	29	37	42	32	31	28
Ensure physical security of IT equipment	**35**	36	31	24	36	35	39	35	38	34	22
Use secure connections for remote access	**31**	33	24	30	34	26	35	32	31	28	14
Make sure employees uses ‘strong passwords’	**30**	31	25	30	31	28	25	32	37	24	32
Make sure employees do not share their passwords	**30**	32	24	24	30	31	30	29	35	28	24
Use access control to limit employee access to data on a need-to-know basis	**25**	25	24	30	27	21	24	26	25	23	26
Staff security training and policies	**20**	21	17	17	21	19	20	20	27	17	10
Encrypt confidential data on laptops	**11**	12	7	6	12	11	10	11	13	9	12
Other	**4**	5	2	6	6	2	5	4	5	2	6
Don’t know	**2**	1	3	0	2	1	4	1	1	1	0
None of these	**1**	1	2	4	0	1	1	0	1	1	2

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	Total	**Male**	**Female**	**18 to 29**	**30 to 50**	**Over 50**	**London**	**Rest of South**	**Midlands / Wales**	**North**	**Scotland**
All managers/ directors who work in a business with 2-50 employees (with IT)	**779**	598	181	54	404	321	161	313	108	139	50
	%	%	%	%	%	%	%	%	%	%	%
On average, how much do you think it costs your business each year to solve/ rectify breaches of your IT security?											
Nothing	**32**	32	33	24	28	40	21	37	35	32	34
Less than £1,000 per year	**42**	43	40	39	43	41	43	40	45	42	46
Between £1,001 and £2,000 per year	**6**	6	7	6	8	4	8	6	6	4	8
Between £2,001 and £5,000 per year	**5**	6	3	7	5	6	6	5	3	7	4
Between £5,001 and £10,000 per year	**2**	3	1	4	3	1	4	1	4	2	0
Between £10,001 and £20,000 per year	**1**	1	0	0	0	1	1	0	1	1	0
Between £20,001 and £50,000 per year	**0**	0	1	0	0	0	1	0	0	0	0
Between £50,001 and £100,000 per year	**0**	0	1	0	0	1	0	0	0	1	0
More than £100,000 per year	**0**	0	0	0	0	0	1	0	0	0	0
Don't know	**10**	9	15	20	12	6	16	9	6	11	8
AVERAGE (INC 0)	**801**	**899**	**1765**	**956**	**762**	**1470**	**2674**	**532**	**846**	**1680**	**449**
AVERAGE (EXCL 0)	**1259**	**1387**	**2865**	**1366**	**1124**	**2558**	**3552**	**910**	**1347**	**2623**	**712**
Approximately how much of your business is conducted online?											
The whole business is internet-based	**4**	5	3	6	3	6	7	5	4	2	0
A large proportion of the business operates on the internet	**24**	25	22	28	26	21	29	22	19	25	36
A limited proportion of the business operates on the internet (e.g. a static website which mainly functions as a brochure)	**54**	53	55	52	57	50	50	59	53	50	44
None of the business is internet-based/ we don't have a company website at all	**17**	16	18	11	12	23	11	14	23	22	20
Don't know	**1**	1	2	4	1	0	3	0	1	1	0

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		Gender		Age			Region				
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All managers/ directors who work in a business with 2-50 employees (with IT)	**779**	598	181	54	404	321	161	313	108	139	50
	%	%	%	%	%	%	%	%	%	%	%
Which, if any, of the following do you outsource (i.e. you pay someone else – an external supplier – to produce)? [Please tick all that apply]											
The printing of the sales/ marketing materials	**41**	43	38	52	45	35	45	44	32	39	46
Creation of the company website	**34**	35	29	41	35	31	42	35	30	27	28
The graphic design of the sales/ marketing materials	**30**	32	23	39	33	24	34	30	28	27	30
Maintenance of the company website	**23**	24	20	26	25	22	27	24	25	19	20
The copy/ wording of the sales/ marketing materials	**9**	11	3	13	11	7	11	11	7	8	10
The mailing of promotional emails	**6**	7	3	6	6	5	9	6	3	2	8
The mailing of company statements/ newsletters	**5**	5	4	6	6	3	9	4	2	3	6
Don't know	**2**	2	2	0	2	1	2	1	2	1	2
None of these	**40**	39	44	26	36	47	33	39	45	44	40

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		Gender		Age			Region				
	Total	Male	Female	18 to 29	30 to 50	Over 50	London	Rest of South	Midlands / Wales	North	Scotland
All managers/ directors who work in a business with 2-50 employees who outsource production of sales/ marketing materials	468	367	101	40	259	169	108	191	59	78	30
	%	%	%	%	%	%	%	%	%	%	%
And, approximately, how much do you spend on the external production of sales and marketing materials per year?											
Less than £1,000 per year	30	27	42	33	27	34	21	32	39	33	20
Between £1,001 and £2,000 per year	18	18	16	10	17	20	11	17	15	21	40
Between £2,001 and £5,000 per year	21	22	17	25	20	20	26	17	17	29	10
Between £5,001 and £10,000 per year	10	11	4	13	9	9	13	9	10	8	3
Between £10,001 and £20,000 per year	7	8	4	3	9	5	8	7	8	4	10
Between £20,001 and £50,000 per year	5	5	5	8	4	6	5	7	5	0	7
More than £50,000 per year	2	2	1	0	3	0	4	2	0	0	0
Don't know	8	7	12	10	10	5	12	8	5	5	10
AVERAGE	6102	6371	4646	5826	6741	4934	8079	6760	4947	2779	5768

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