



# OWNER MANAGED BUSINESS **OUTLOOK** 2015

INSIGHTS INTO PERCEIVED GROWTH PROSPECTS, OPPORTUNITIES  
AND CHALLENGES FOR UK OWNER MANAGED BUSINESSES

## FOREWORD

# OPTIMISM REIGNS



One of the great dilemmas for owner managers of business is deciding the right time in the economic cycle to make expansionary investment. In our experience, these business owners are understandably conservative about this type of decision. This can lead to hesitation until economic growth has become clearly well established. Given the inevitable lag between investing and realising returns, we often see owner managers' investments come too late in the cycle to fully maximise returns.

Investing earlier in the cycle is crucial for these businesses so that they can capture growth in a more meaningful way. For us, this is a key component of the so-called 'productivity puzzle' – if you can help owner managers to better assess the timing of the economic cycle and understand the importance of the correct timing of investment decisions, fewer businesses would oscillate in low growth cycles and more would prosper and grow. That would be a very meaningful positive outcome for the whole economy, given the scale of contribution of OMBs to GDP and the importance of family businesses to our whole society.

Of course, all good decisions start with a conversation. In that sense, the conversation for British businesses this year has been fascinating – they have had a lot to contend with in 2015. An improving economic landscape, a potentially divisive election, questions over EU membership and a continuous stream of regulatory changes have potentially clouded business decision making. They are less worried about regulation and deflation and more about international markets and inflation than they were last year. And this is translating into significant levels of confidence in their businesses and the broader economy, a marked improvement in both counts since we last spoke to them in 2014. While this report explores confidence levels among OMBs and the sector's relationship with the economic cycle, it also gives us a moment to reflect on the importance of the OMB community in driving further growth in the UK economy.

A handwritten signature in blue ink, reading "G. O'Keeffe".

**Gerard O'Keeffe**

*Head of Allied Irish Bank (GB)*



# EXECUTIVE SUMMARY

## POSITIVE MOOD

Overall, results from the 2015 OMB Outlook suggest a **greater positivity** amongst OMBs, about their own businesses and the general operating environment, compared to 2014.

## EU STABILITY

**EU issues:** external and internal worries related to EU membership and overall stability are at the forefront of the OMB risk radar, with volatility in peripheral Europe and Britain's relationship with the EU front of mind.

## BRIGHT FUTURE

There is also a widespread **sense of optimism** about the future. **62%** expect the economic situation to improve in the next year, and **90%** are optimistic about their business prospects.

## SUBSIDING RISK

**Regulatory risk subsiding:** Fear of increased government regulation has declined (likely as a result of the election of a majority government), which further **fuels optimism** and a more **aggressive strategy for growth**.

## TAKING RISKS

This positive mood translates into a greater readiness to take advantage of opportunities, with an increased proportion of OMBs that are likely to **raise capital** for the business, to **open new offices/locations** or to engage in **M&A activity**.

## OMB INDEX

### Overall health improving:

The OMB index score shows an increase of **5** points, from **58** in 2014 to **63** this year. This is driven particularly by an increase in the 'individual business' index score (i.e. OMBs' views of their own business).

62%

EXPECT THE ECONOMIC  
SITUATION TO IMPROVE  
IN THE NEXT YEAR

90%

OPTIMISTIC ABOUT  
THEIR BUSINESS'  
PROSPECTS

63

OMB INDEX SCORE







# ECONOMY

Current economic environment is more positive than last year

Owner Managed Businesses in 2015 are more positive (**44%**) than negative (**17%**) about the current economic environment in the UK. This is up slightly on 2014.

62%

*expect the economic situation to **improve** in the next year*

“*I have no problems at present with what the government is doing but they can always do more.*”

OMBs in 2015 appear to be especially optimistic about the UK's economic outlook. Currently **62%** say they expect the economic situation to improve in the next year, while just one in ten thinks that it will get worse. It is the larger OMBs (by turnover) that are most optimistic, with **77%** of businesses in the **£51-£100m** bracket expecting the economy to improve next year, compared to **56%** in the **£5-£10m** turnover bracket.

Volatility in the Eurozone, related to Greece's threat to leave the EU, has heightened fears of a knock-on effect to British businesses. Though the impact is still difficult to gauge, it is clearly something on the minds of owner managers as they plan for the year ahead. In fact, Britain's relationship generally with the EU has come much more to the fore than in our last report.

EXPECTING THE  
ECONOMY TO  
**IMPROVE**  
NEXT YEAR

**77%**  
OF OMBs  
WITH A  
**£51-100M**  
TURNOVER

**56%**  
OF OMBs  
WITH A  
**£5-10M**  
TURNOVER

## Government support – a lot done, more to do

OMBs remain divided over the government's support for small business. They see tax cuts and reduced red tape as helpful. Though, unsurprisingly, they would like more support of this kind.

But there are also signposts for the Government in some of the results. The most frequently cited external opportunities among OMBs are domestic growth and exports. Policies aimed at stimulating or providing better access to domestic and foreign demand could potentially go a long way in helping these businesses at this point in the economic cycle. As has already been noted, concern about Brexit is also a prominent factor.

“We get an R&D tax refund from the government which is really good. They could look at improving business rates.”

# BUSINESS OUTLOOK



*Say they are currently  
in a growth phase*

## A more **Positive** Mood...

One in three, or **33%**, of Owner Managed Businesses say they are currently in a growth phase – up three percentage points from last year. **70%** of businesses are positive about the overall health of their businesses, this is up slightly on 2014 (+5 percentage points).

The increase suggests a **more positive mood**, which is concentrated in the top-end of the Owner Managed Business market, with **81%** of businesses on turnovers of £51-£100m being more positive about their businesses.



## The Best Days Are...

**12%**  
PAST

**27%**  
NOW

**62%**  
AHEAD

Over **60%** of businesses say that the best days for their businesses lie ahead.

The key for many will be understanding the best time to push the accelerator and move forward with growth.

Change in overall health of business over the past year...

2014

**57%** FEEL BETTER OFF THAN A YEAR AGO

**13%**

FEEL WORSE THAN A YEAR AGO

2015

**62%**

**7%**

**Small businesses with better starting capital structures are more likely to flourish in the long-run.**

Other Financial Institutions are going to have to make a decision about getting involved with these businesses as crowdfunding starts to take more of this market.

## Balance sheets improving, but sources of funding more diverse

This general optimism translates into the outlook for business balance sheets, with almost half of Owner Managed Businesses expecting an uptick in cash reserves over the next twelve months. And there is a marked increase in those prioritising a capital raise with almost **45%** seeing it as likely next year, up from **33%** the year before.

Bank funding is still a key component of capital structures and the number of businesses that say they use it has risen since 2014 from **45%** to **59%**. However, alternative sources are also on the rise. Alternative sources of funding such as crowdfunding/P2P, on the debt side, and private equity are increasing as a source that businesses have accessed.

The prevalence of these alternative sources is up significantly since we last spoke to Owner Managed Businesses late last year. Almost a quarter of Owner Managed Businesses stated that they would use alternative sources of funding such as crowdfunding to finance their business, up from only **7%** who said they would use this type of finance last year.

There is some interesting data that serves as a good corollary here. Younger businesses are both least satisfied with their banking relationship and tend to worry about access to finance more than their more established counterparts.



# RISK & REWARD

The threat of **economic downturn** or recession has **subsided** somewhat since 2014, with almost half the number of businesses worried about it than in Q4 2014. Brexit is now seen as the most significant issue, with **41%** of businesses citing this

as a risk relevant to their business. The **Eurozone crisis** has risen as a possible threat with twice as many people as Q4 2014 citing it as the greatest potential risk to their businesses.



63%

*Would vote for Britain to **remain** in the EU*

“*The forthcoming EU referendum and the distinct possibility of the UK exiting the EU which would be disastrous for our company.*”



## Risks Subsiding

While most perceived risks remain consistent with 2014, there are some notable shifts: a higher proportion of Owner Managed Businesses now see inflation as a risk (**31%** vs. **22%**), while fewer now see government regulation as a threat, falling from **48%** to **39%** of respondents. A year ago there was much greater focus on the threat of deflation as the UK economy appeared on

the tip of stagnation and at the same time, a much different political backdrop meant that regulation was much further up the threat list.

## Investing to be up in 2016

There have been **significant increases** in the proportion of Owner Managed Businesses that are likely to raise capital, up **12%**, open new locations/offices, up **9%**, or to make an acquisition/merge with another business, up **10%**.

## Greater sense of risk-taking

When compared to 2014, we see a greater sense of risk-taking, with higher proportions of OMBs saying that they like to be the first to try something new, and that they have borrowed either against their mortgage or from friends to keep the business going.

## The Big Issues

The biggest issues facing the UK economy at the time of this survey are...

GREEK/EUROZONE CRISIS

20%

EU MEMBERSHIP

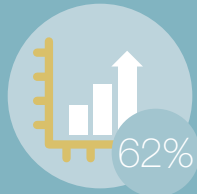
10%

IMMIGRATION

9%



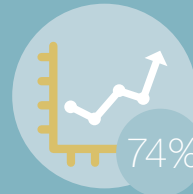
## THE NEXT 12 MONTHS...



INCREASE  
MARKETING SPEND



INVEST IN TRAINING  
& DEVELOPMENT



INVEST IN CAPITAL  
IMPROVEMENTS

# CASE STUDY



BUSINESS NAME	Westbase Technology Ltd	START OF RELATIONSHIP	2014
OWNER	Sacha Kakad (pictured)	NATURE OF BUSINESS	
KEY EMPLOYEE	Josie Bean, Financial Director	Wireless Technology Distributor	

## What is unique about your business or your customers?

Westbase Technology is the leading UK and EU distributor of 3G, 4G and LTE mobile networking solutions. Our innovative product portfolio, coupled with our extensive industry knowledge, enables us to provide the flexible, scalable connectivity needed to truly enable the latest technologies of today, from the Internet of Things and Big Data, to the Cloud and connected customer services. We do this by providing our customers with the support that they need, when they need it.


## How do you view the general business environment?

Working across the UK and Europe we are finding that there is a multitude of opportunity across all sectors in the region. From new businesses looking to accelerate their time to market, to long established businesses wanting to create new revenue streams, there is a real vitality in our business environment today.

## What is your view on potential opportunities & challenges for your own business in 2015?

The wide availability of 4G/LTE technology across Europe is driving significant growth in our industry. As organisations embrace wireless as an enabler for new revenue streams and adaptive business models, Westbase is best positioned to take advantage of this opportunity.

The challenge in this is educating and supporting our customers as we expand our business across Europe. We are addressing this with a recruitment strategy that matches



“The AIB (GB) team have continued to nurture our relationship... I’m happy to say that our experience has been service-led.”

resources to our growth aspirations, as well as a new reseller program and online portal which centralises information – both of which are key in supporting our partners as we move forward.

### How do you see your work/life balance?

I’m pleased to say that I have a great team and we all share equally in the responsibilities of the business. Although focused on client care, we try to keep the environment fun which is essential to us maintaining the right balance.

### How has Allied Irish Bank (GB) helped you achieve your goals?

The AIB (GB) team have continued to nurture our relationship and are there to answer any queries that arise. I’m happy to say that our experience has been service-led.

They were able to provide the flexibility in banking facilities required by our company. Ultimately they enabled us to undertake new business ventures and expand our European footprint.

### What does the future hold for your industry?

In order to grow, companies are adopting technology led strategies to provide the business intelligence they need to refine supply chains, drive efficiencies and grow their footprint. As the agility and performance of computing and communications outweighs their cost, disruptive models are more accessible to businesses – regardless of size. Due to this step change, and independent of financial markets, the technology industry has the potential to continue to grow across all sectors.

# CASE STUDY



BUSINESS NAME	O'Donovan Waste Disposal
OWNER	O'Donovan Family
KEY EMPLOYEE	Jacqueline O'Donovan, MD
START OF RELATIONSHIP	1990s
NATURE OF BUSINESS	Waste Management

“AIB (GB) have proved to be a ‘fountain of knowledge’ for us as a business and have facilitated meetings and introductions with other companies in a bid to help and support us as we expand and grow.”

## What is unique about your business or your customers?

O'Donovan has a wide-range of clients, from small businesses to larger PLCs, and its reputation for service and excellence is well-known in the industry.

## How do you view the general business environment?

The general business environment is good, although some of our clients still seem a tad nervous to invest too much too soon. We think that confidence in the economy will come with time.

## What is your view on potential opportunities & challenges for your own business in 2015?

As well as being commercially successful, O'Donovan will build on our reputation for reliability and service whilst promoting our brand and developing key business relationships. We look forward to the opening of our new site in Wembley and we will continue to invest in our staff, facilities and our fleet. We want to ensure that our operations are at the highest standards within the industry and to lead the way for other SMEs.

## How do you see your work/life balance?

As Managing Director, I feel I could improve in this area! But whilst I work more hours than most in a similar role, I try to ensure that I can take time off for holidays when I can. But with the economy still unsettled and the 2009 recession still fresh in my mind, it is hard to switch off. However my life style/balance would be a lot different if I didn't do the job I do, so you could say the imbalance goes with the territory. I think the same could be said for most senior members working in companies.

## How has Allied Irish Bank (GB) helped you achieve your goals?

AIB (GB) assisted O'Donovan in allowing the company to achieve its growth plans. The bank has financed the acquisition of property and supported in projects such as the development of a new waste transfer station in West London. AIB (GB) has also been instrumental in introducing the company to professionals in all manner of fields, enabling us to achieve and progress with the overall business plan in place.

Our relationship with the bank goes from strength to strength and this is due to

having a dedicated manager and team that communicate well. We have regular catch-up meetings on both a business and social level. They have proved to be a 'fountain of knowledge' for us as a business and have facilitated meetings and introductions with other companies in a bid to help and support us as we expand and grow. Their systems and processes are also straight-forward and easy to use allowing us control over banking transfers and day to day transactions.

We find AIB 'human', compared with many other banks that have automated systems if not call centers in other countries which result in the human touch being lost. AIB are practical, honest and more importantly approachable.

## What does the future hold for your business?

We are very busy so our own outlook is very positive. We've got further expansion plans for our existing sites to progress with. Overall, these are exciting times within the industry, especially with new technologies coming online. We're looking at adopting some of these new technologies and taking the business forward.



# CASE STUDY

## TECHSiL

Adhesives and Sealants for Industry



### BUSINESS NAME

Techsil

### OWNER

Paul Hughes

### KEY EMPLOYEES

Chris Dilley, Sales Director  
Mark Rice, Finance Director

### START OF RELATIONSHIP 2013

### NATURE OF BUSINESS

Technical Consultancy

### What is unique about your business or your customers?

We deliver technical and application knowledge, ensuring that our customers' businesses are enhanced by the continuous introduction of new products, processes and innovations that deliver real customer benefits and value.

### How do you view the general business environment?

We are very positive about the business environment in the UK.

The uncertain outcome of the election led to a lack of confidence for business owners. After the election returned a majority government, confidence in the market improved significantly.

There is a lot of talk about the rise in interest rates but we're not overly concerned given their historically low level and the small incremental nature of any rise.

While most of our customers are domestic (roughly 80%), we have a growing international business and think that the referendum on Britain's EU membership will be the single biggest disruption to business over the coming months.

“*We wanted to refinance the business away from our previous lender and AIB (GB) was responsive, keen and helpful.*”

### What is your view on potential opportunities & challenges for your own business in 2015?

We expect the business to perform well over the next year and start to reap the rewards of the operational improvements we've implemented over the last couple of years.

We are starting to see some positive signs such as new customers and increased orders from our existing customer base.

### How do you see your work/life balance?

Work life balance is fairly good at the moment with a strong business, steady growth and fewer worries than this time last year.

### How has Allied Irish Bank (GB) helped you achieve your goals?

We wanted to refinance the business away from our previous lender and AIB (GB) was responsive, keen and helpful. Plus, they were the only bank we spoke to that was prepared to structure the debt roughly as we preferred.

### What does the future hold for your business?

There are promising signs of growth for our business and we hope to take advantage of the improving business environment. We expect to see growth both domestically and internationally.

# ACROSS THE UK

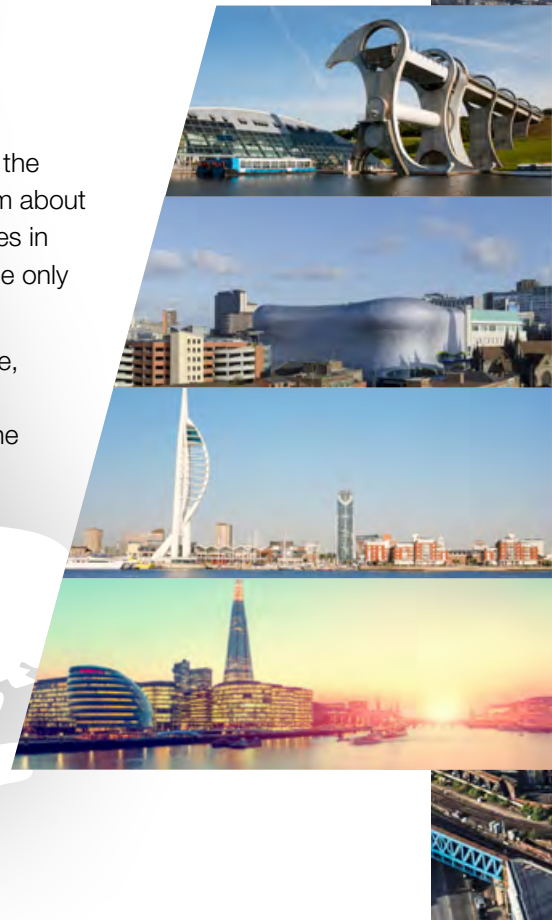
## Increased bullishness for businesses outside of London

**More businesses outside of London are optimistic about their prospects and are more open to hire next year than their London counterparts, according to our research.**

Nearly two in five businesses (**37%**) in North England, Scotland & Northern Ireland say they expect to increase headcount in the next 12 months, and this rises to **48%** in Midlands & Wales; by contrast, only a third (**34%**) in London plan to do the same. This may be linked to the fact that in London over **40%** of businesses highlight access to talent and skills as a key risk, while the figure is only **21%** in the North and **10%** in Midlands & Wales.

The willingness of these businesses to expand the employee ranks may be linked to their optimism about revenue/sales next year, with **63%** of businesses in the North expecting an uptick in revenues, while only half of those in London expect an increase.

There may be several reasons for this difference, the downturn in London may have been less severe and therefore any perceived upturn in the economy will be less pronounced in London than it is in other parts of the country. 'Things staying the same' may in fact be seen as a positive in London, given the highly competitive nature of that geographic market.



## THE NEXT 12 MONTHS

Increase  
Headcount

Increase Sales  
& Revenue

Risk: Access  
to Talent & Skills

North England,  
Scotland &  
Northern Ireland

37%

63%

21%

The Midlands  
& Wales

48%

71%

10%

South & East  
England

55%

71%

28%

London

34%

51%

41%



## Scottish businesses underwhelmed by Government support

Perhaps unsurprisingly, only **16%** of OMBs in Scotland feel that the Government is doing enough to support them. This compares to a national average of **42%**. Given the survey was conducted with the Scottish referendum and general election still recent memories, it will be interesting to see if this number improves over the medium-term.



# PEOPLE & RELATIONSHIPS

Motivations for running a business, what owners want to get out of business, where they get their inspiration from, and how they manage their relationships are a key part of understanding Owner Managed Businesses.

Owner Managed Businesses still see customers as their **greatest source of ideas**, with over eight in ten citing them as an inspiration for their business. Four in ten see their bank manager as a source of inspiration.

## Satisfaction levels







## More free time

Almost **10%** more Owner Managed Businesses consider having adequate time away from work as important compared with 2014 and at least seven in ten are satisfied with their level of community involvement and level of work stress.

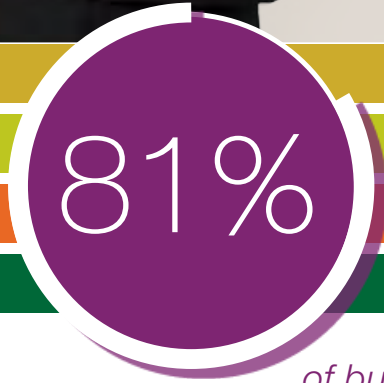
And, as was the case in 2014, spending time with family and friends is cited by **51%** as their preferred activity if they had extra time each week.

## Banking Partners

**More than 81% of Owner Managed Businesses are satisfied with their banking partner, but this figure is lower among newer businesses.**

Combined with the increase in Owner Managed Businesses turning to **crowdfunding** and other alternative lending platforms, this suggests an underlying current of disruption. Alternatives to the status quo have caused trouble for established businesses in industries from taxi driving to hospitality. Our research suggests that the SME lending business is at the start of a similar shake-up.

## Entrepreneurs



I LIKE TO BE THE FIRST TO TRY SOMETHING NEW

**74%**

I AM A RISK TAKER

**65%**

BORROWED AGAINST MORTGAGE

**26%**

BORROWED FROM FRIENDS OR FAMILY

**25%**

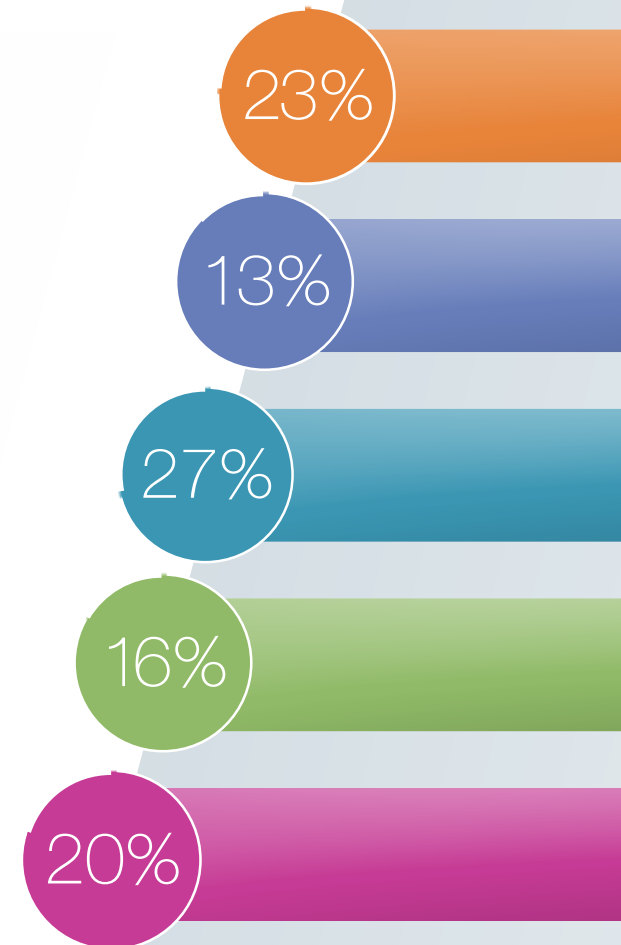
*of businesses are satisfied with their banking partner  
but satisfaction is lower among newer businesses*

# Persona Analysis

## Five distinct types of Owner Managed Business

Personas were created by analysing OMB views, attitudes and behaviour, specifically how they:

- View the general business environment e.g. the overall economic environment in the UK.
- View their own individual businesses, such as potential opportunities, challenges and likely developments over the next 12 months.
- View of the importance of and satisfaction with personal relationships such as family, friends and the community.



## THRIVING OPTIMISTS



The economy is **roaring**  
and my business is **excelling**  
in this environment

The economy is not doing well,  
my business is **really suffering**  
& my **work-life balance is poor**

## WANING & WORRIED



## CONTENT TO CRUISE



The economy is on the **upswing**, my  
business is **doing OK** and I'm happy  
with my work-life balance

The economic situation is **average**,  
and my business is **doing ok**

## MEASURED & MODERATE



## UPWARD STRIVERS



The economy has **yet to recover**, but  
my business is doing **better than most**



PERSONA

# THRIVING OPTIMISTS

The economy is **roaring**  
and my business  
is **excelling** in this  
environment



23%

LIKELY SECTORS

Construction &  
Building Materials

## THE NEXT 12 MONTHS...



DOMESTIC  
GROWTH



NEW PRODUCT/  
SERVICE DEVELOPMENT



ONLINE SALES OR  
ENGAGEMENT



NEW OFFICES/  
LOCATIONS



INCREASED  
MARKETING SPEND



EXPORTS

## Snapshot...

These Owner Managed Businesses are **very positive** about the current UK economy and the health of their own business.

They expect employee headcount, business cash reserves, sales or revenue, profit, capital investment to **increase** in the next 12 months.



LIKELY TO BE

IN OPERATION  
**6-10 YEARS**

TURNOVER  
**£31M-£40M**

BUSINESS PHASE  
**ESTABLISHED**

EMPLOYEES  
**10-50**

AGE/GENDER  
**35-44 / MALE/FEMALE**

FUNDING  
INSURANCE/INVESTMENT FUNDS  
PRIVATE EQUITY FUND  
ALTERNATIVE SOURCES

12 MONTH PROSPECTS



## Outlook...

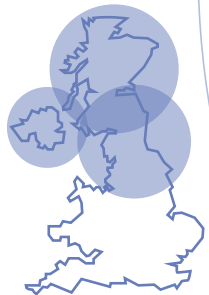
They are optimistic about their business' prospects for the next 12 months.



PERSONA

# WANING & WORRIED

The economy is not doing well,  
my business is **really suffering**  
& my **work-life balance is poor**



LIKELY SECTORS

Media, Consumer Goods  
Energy & Resources

13%

LIKELY TO BE

IN OPERATION  
**1-5 YEARS**

TURNOVER  
**£5M-£10M**

BUSINESS PHASE  
**MATURE**

12 MONTH PROSPECTS

FUNDING  
**BANK FUNDING**

EMPLOYEES  
**2-50**

AGE/GENDER  
**45-64/MALE**

## Snapshot...

Their own businesses are **currently struggling**, and they expect this to **deteriorate further** in the next 12 months.

They expect the following aspect of their business to decrease: **employee headcount, business cash reserves, capital investment, sales or revenue, profit.**

They are **particularly dissatisfied** with the 'people and relationships' aspect of their business, and are more likely than other Owner Managed Businesses to be **dissatisfied with their level of work stress**, their **relationship with their banking partner** and having **adequate time away from work.**

### THE NEXT 12 MONTHS



**SALES, REVENUE  
& PROFIT DECLINE**



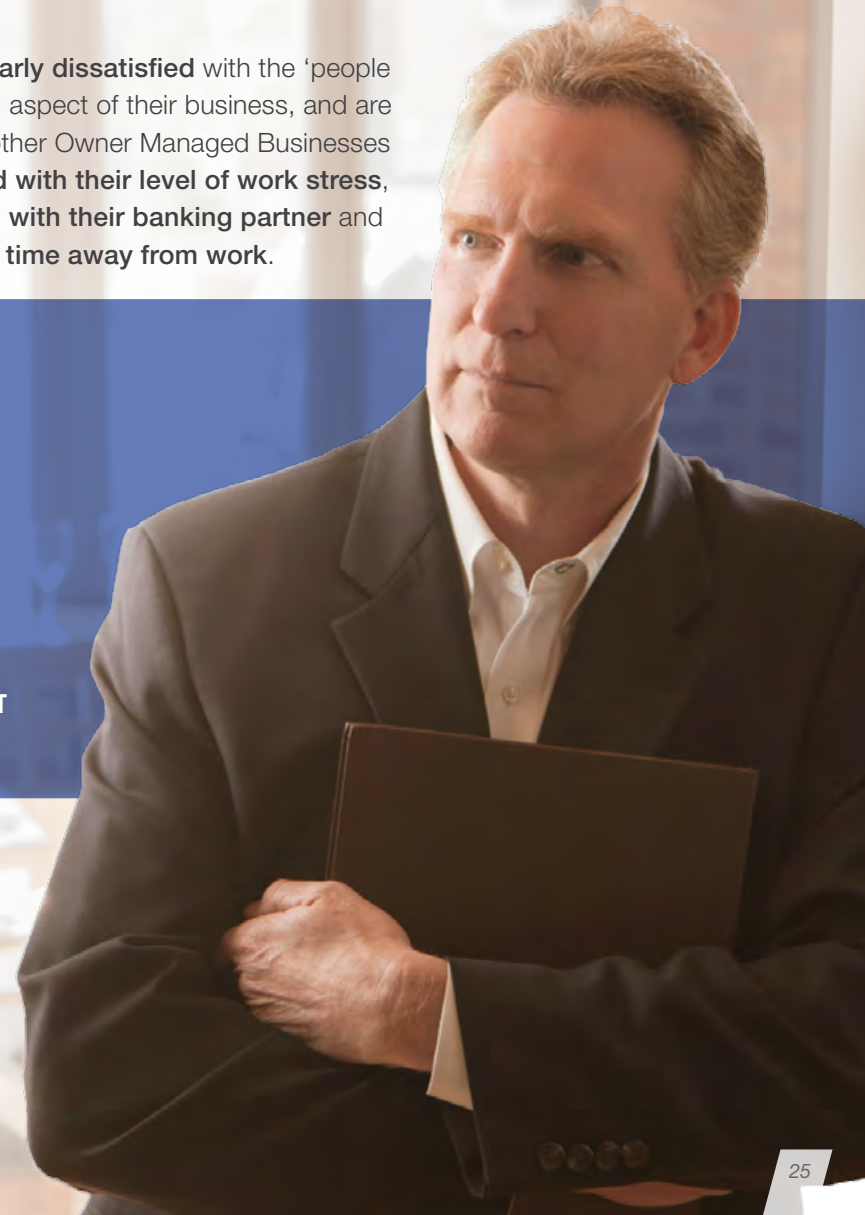
**DECREASE IN  
CASH RESERVES**



**REDUCTION IN  
EMPLOYEE HEADCOUNT**

## Outlook...

These Owner Managed Businesses have a **negative view** of the current UK economic situation, and expect it to **remain the same or even get worse** in the next year.



PERSONA

# CONTENT TO CRUISE

The economy is on the **upswing**,  
my business is **doing OK** and I'm  
happy with my work-life balance

27%

LIKELY SECTOR

Manufacturing



# Outlook...

These OMBs are **generally positive** about the current state of the UK economy, and expect the economic situation to **continue to improve**.

They are more likely than other OMBs to feel that their current business performance is average.

This group are most likely to apply for new or increased lending facilities in the next 12 months, as well as being more likely than other OMBs to raise capital for their business.

They are particularly satisfied with the **‘people and relationships’** aspect of their business, most notably having adequate time away from work to recharge or be with their family.

## THE NEXT 12 MONTHS



LIKELY TO RAISE CAPITAL



INCREASE BORROWING



EXPECT ECONOMY TO IMPROVE

## LIKELY TO BE

IN OPERATION  
1-5 YEARS

EMPLOYEES  
51-250

TURNOVER  
£31M-£40M

AGE/GENDER  
26-34/FEMALE

BUSINESS PHASE  
GROWTH

FUNDING  
INSURANCE/INVESTMENT FUNDS  
ALTERNATIVE SOURCES





PERSONA

# MEASURED & MODERATE



16%

The economic situation is **average**, and my business is **doing ok**

LIKELY SECTOR

Construction &  
Building Materials,  
Telecoms & Technology



# Snapshot

These Owner Managed Businesses generally see the health of both the UK economy and their own business as being **average**.

Things are looking up though, with the economic environment **expected to improve**, and **optimism** regarding their business prospects.

# Particular Risks...

They are more likely than other Owner Managed Businesses to see the following as particular risks over the next 12 months:

**access to talent or skills, data security breaches, Britain exiting the EU**

## THE NEXT 12 MONTHS



**SALES & REVENUE  
TO INCREASE**



**GROWTH IN  
EMPLOYEE HEADCOUNT**



**PROFIT TO  
INCREASE**



**EXPECT ECONOMY  
TO IMPROVE**

## LIKELY TO BE

**IN OPERATION  
6-15 YEARS**

**EMPLOYEES  
10-50**

**TURNOVER  
£11M-£20M**

**AGE/GENDER  
45-54/MALE**

**BUSINESS PHASE  
START-UP**

**FUNDING  
SELF FINANCED  
PRIVATE EQUITY FUND**



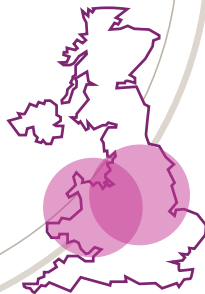


PERSONA

# UPWARD STRIVERS

The economy has **yet to recover**, but my business is doing **better than most**

20%



LIKELY SECTOR

Transport & Logistics  
Retail & Wholesale





LIKELY TO BE

IN OPERATION  
**20+ YEARS**

TURNOVER  
**£11M-£20M**

BUSINESS PHASE  
**ESTABLISHED**

EMPLOYEES  
**250+**

AGE/GENDER  
**45-64/FEMALE**

12 MONTH PROSPECTS

## THE NEXT 12 MONTHS



INVEST IN TRAINING  
& DEVELOPMENT

## Snapshot...

They are more positive about their own businesses, which are **performing better** than others and they are **optimistic** about the next 12 months.

They are more likely than other Owner Managed Businesses to expect to invest in **training and development** in the next year.

They are less positive about the 'people and relationships' aspect of their business, and are more likely than other OMBs to be **dissatisfied** with having adequate time away from work to recharge or be with their family.

## Outlook...

These Owner Managed Businesses are more **negative** than others about the current state of the UK economy, and they don't anticipate an improvement – they expect the **economic situation to stay the same**.



# ALLIED IRISH BANK (GB) OMB INDEX

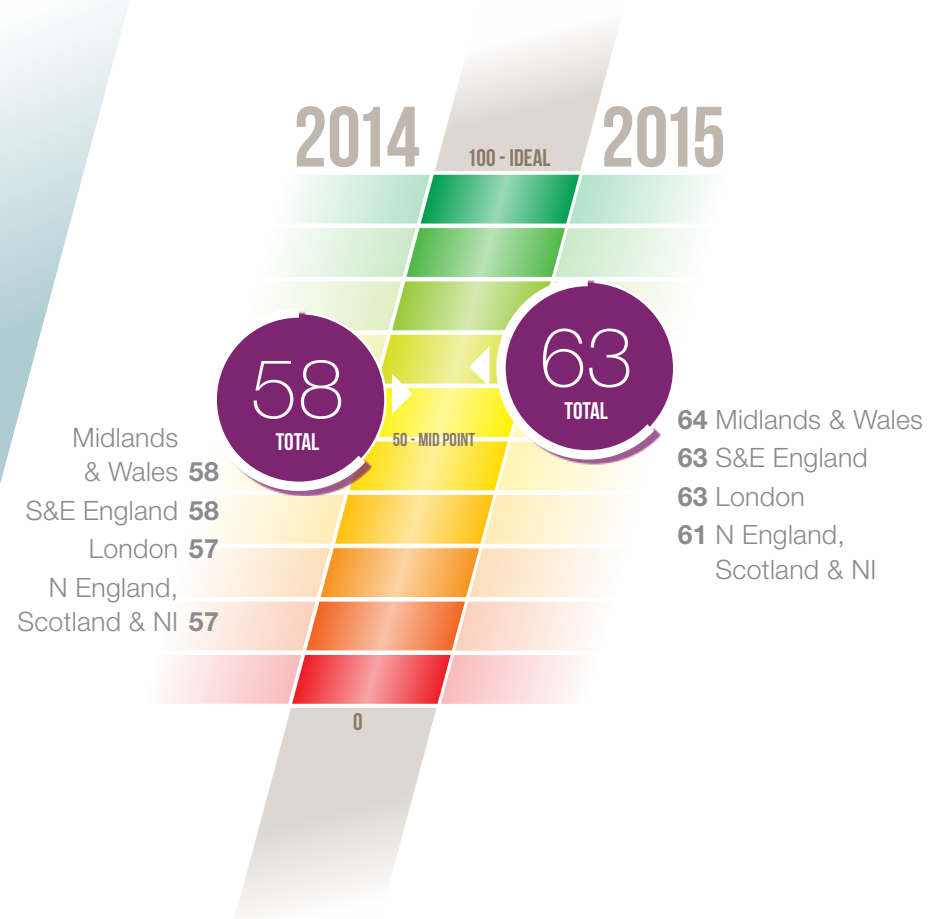
## Business Health is Improving

This is AIB (GB)'s second index for Owner Managed Businesses in the UK. It presents the first comparative data for how OMBs are doing overall and on specific aspects of business health.

- The overall index is comprised of three sub-indices which measure the overall health of OMBs.
  - **Business Environment Index**
  - **Individual Business Index**
  - **People & Relationships Index**
- These sub-indices are calculated by computing an average score from the questions used to measure the health of OMBs in the UK.
- Each sub-index is **standardized on a 0-100 score** and respondents receive a score for each sub-category
- The sub-indices are weighted evenly and combined into standardized 0-100 score measuring overall business health.
- **The ideal business health score is 100** and as scores move closer to 0, respondents business health deviates further from the ideal.

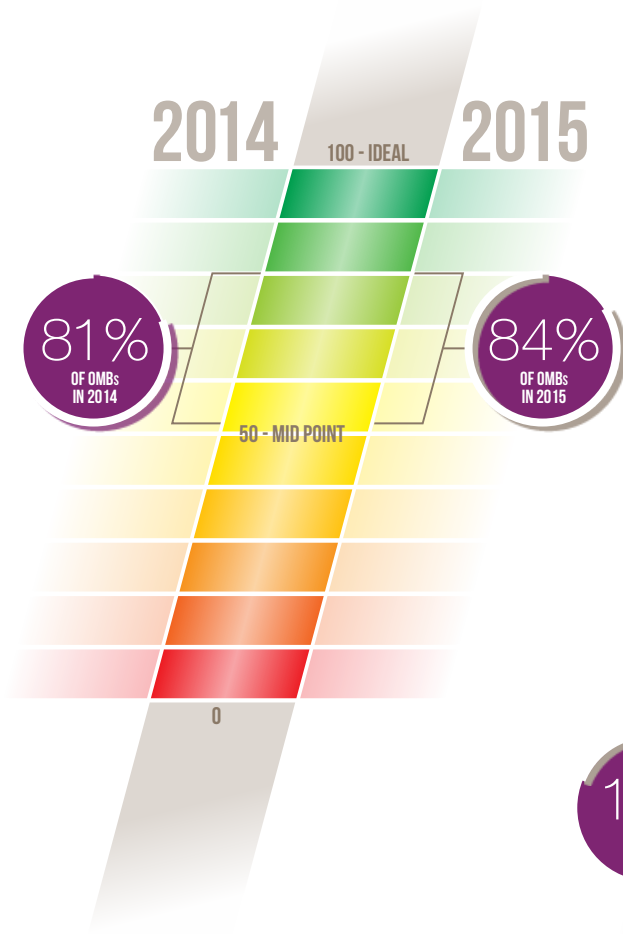
## Overall Index Scores

The overall health of businesses is up – the average score for OMBs in the UK is **63**, up from **58** in 2014.



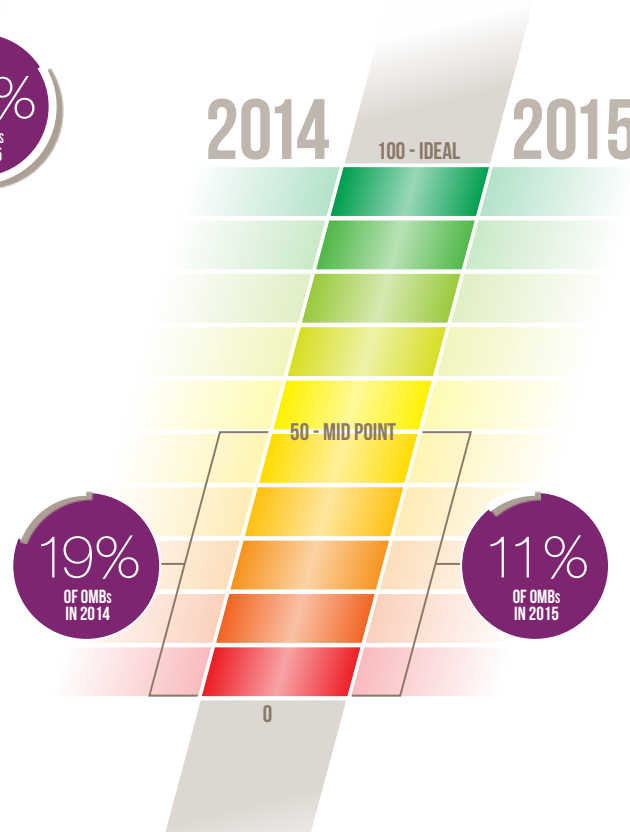
## More businesses in good health

Most respondents (**84%**) score between **51 to 80** on the overall OMB index (vs. **81%** in 2014)



## Fewer businesses reporting poorer business health

Just one in ten (**11%**) OMB's scores fall below the index mid point (50) indicating poorer business health (compared to **19%** in 2014)



## Addressing the challenge

The distribution of scores within the index suggests that most respondents are **addressing the challenges** their business face, with a sizeable percentage doing so to a high level of performance.

The individual business index score is **up markedly** from **57** to **69**.

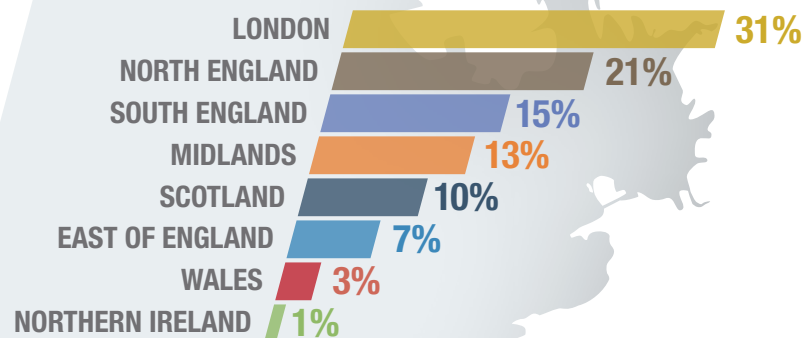
# RESEARCH METHODOLOGY

## About this Survey

The **Owner Managed Business Outlook Report** is based on a survey of **300 senior financial decision makers** in owner managed businesses in the UK. For the purposes of this report owner managed businesses are defined as businesses where the owners, family members or shareholders are involved in the day-to-day decisions and activities of the entity or are directors of the company. The research was conducted by **Brunswick Insight** on behalf of **Allied Irish Bank (GB)**. Interviewing was conducted by telephone between 8th June and 13th July 2015. The margin of error for the overall results of this study is +/- 5.7%. Subtotals of the data will have larger margins of error.

The 2014 research was also based on a sample of 300 senior financial decision makers in OMBs. Fieldwork conducted 23rd October – 28th November 2014.

### REGIONAL BREAKDOWN

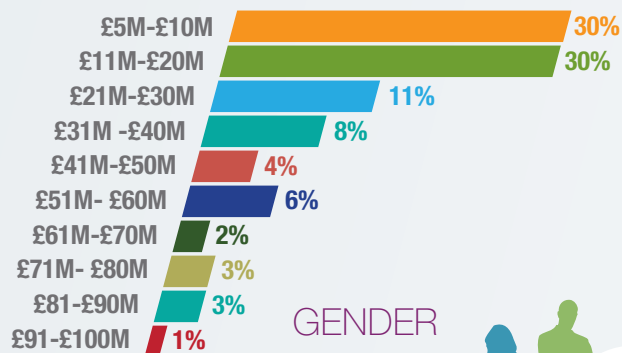


### About Brunswick Insight

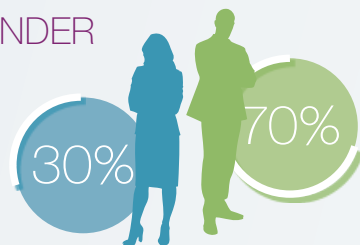
**Brunswick Insight** is the practice within Brunswick Group, an advisory firm specialising in critical issues and corporate relations, which focuses on using opinion research to help clients better understand their relationships with stakeholders and communicate more effectively. Brunswick Insight use a range of qualitative and quantitative research techniques to help companies and organisations develop more effective communications strategies.



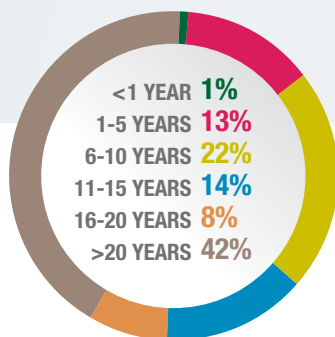
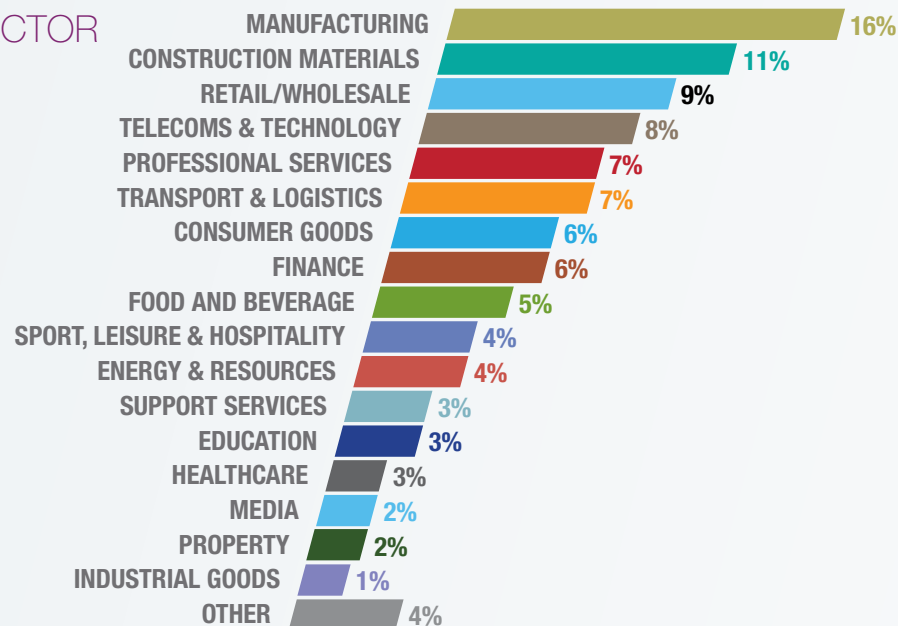
## ANNUAL TURNOVER



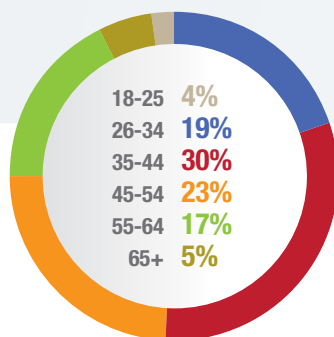
## GENDER



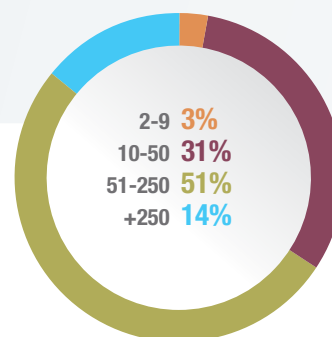
## SECTOR



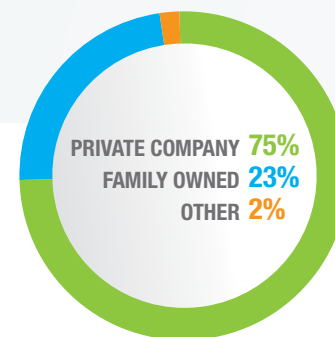
## YEARS IN OPERATION



## AGE



## NUMBER OF EMPLOYEES



## TYPE OF BUSINESS

# ALLIED IRISH BANK (GB)

## About Us

**Allied Irish Bank (GB)** is a specialist business bank serving the needs of **Owner Managed Businesses**.

Operating from **16 locations** in major business centres across Great Britain and employing over 600 staff, we offer the **full range of business banking, corporate banking and international trade services** as well as **dedicated wealth management, personal banking and direct savings services**.

**Allied Irish Bank (GB)** has been supporting businesses in Britain with true relationship driven service for over 40 years. During this time, we have grown organically with more than half

of our new business coming from existing customers recommending our service to other Owner Managers.

We **provide real value** to each and every one of our Owner Manager customers and deliver to them the highest standard of service in banking and financial services. We are proud that Allied Irish Bank (GB) was awarded '**Best Service from a Business Bank**' at Business Moneyfacts Awards in both 2014 and 2015.

If you are an Owner Manager, get in touch to see how we can be of service to you and your business.

**We look forward to hearing from you.**





# ALLIED IRISH Bank (GB)

Mayfair Branch  
18 Berkeley Square  
London, W1J 8EA  
Telephone 021 475 8881

Opening Times

Monday	9.30 - 15.30
Tuesday	10.00 - 15.30
Wednesday	9.30 - 15.30
Thursday	9.30 - 15.30
Friday	9.30 - 15.30

Allied Irish Bank (GB)



**Allied Irish Bank (GB)**

**Telephone** 0845 600 5204 | **Web** [www.aibgb.co.uk](http://www.aibgb.co.uk)

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