



FEDERATION OF SMALL BUSINESSES

What would you do with 7 extra hours?

Small businesses spend over 7 hours each week filling in forms - time that could be much better spent creating new jobs.



View the film associated with this publication at www.fsb.org.uk



Introduction

“Businesses should be free to spend their time producing and innovating - not filling in forms or reporting in overly bureaucratic ways.”

- Vice President of the European Commission, Günter Verheugen

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The European Commission has proposed an unprecedented campaign against red tape and is encouraging Member States to embark on similar undertakings at national level.

It is estimated that this could lead to an increase of 1.5 % in EU GDP and subsequently more investment for growth and new jobs, amounting to €150 billion.

But what does this actually mean in practice? What does the administrative burden mean in hours to the average business and how could this time be better spent?

Research conducted by the Federation of Small Businesses in the United Kingdom has revealed that small businesses spend on average over seven hours each week filling in forms and reporting to regulators. This is time that could be more productively spent innovating, growing the business and employing more people.

This publication is based on conversations with over one hundred owners of small businesses, who were asked what they would do with some or all of that time.

Of course, we all wish we had a few more hours in our week. Small businesses do not dispute the need for regulation, in many instances it is beneficial as it brings certainty and ensures fair competition. However, there is no doubt that the sheer volume of regulation is excessive. This means that we are constraining the very people who hold the potential to deliver employment opportunities, innovations and economic growth in the future.



What would you do with 7 extra hours in your week?

“Nothing is so dear and precious as time.”

- François Rabelais, French Renaissance Writer

7 extra hours a week means 28 hours a month or 14 extra days a year!

So what would you do with all that extra time?

When asked the same question entrepreneurs said they would:

- *Create more jobs and invest additional time in staff training*
- *Develop their businesses through marketing, product development, research and design*
- *Help others develop new businesses and products for the future*
- *Devote more time to activities in their local community*
- *Invest time nurturing the next generation of entrepreneurs*
- *Spend some quality time with friends and family*
- *And, like the rest of us, after all of that they might catch up on some sleep!*

You can do a lot of things with an extra 7 hours a week.

Even a fraction of that time, in the hands of an entrepreneur, could make a powerful change for the better to our economy and our communities.

Rationalising and reducing the amount of form filling, and improving the quality of future regulations would liberate our economic and social entrepreneurs. It would have a positive impact for us all.



Time to invest in skills and generate jobs

“All human power is a compound of time and patience.”

- Honoré de Balzac, French novelist & painter

Employing people is time consuming¹. Despite this, 54 percent of small businesses employ more people than they did two years ago and a further 40 percent would like to increase their workforce in the next year.

“We’ve just recruited two employees to deal with the first stage of a new project. Seven extra hours a week would mean we could get this fully running in half the time and employ even more.”

But it is not just about getting people into jobs, they have to be the right people with the right skills. Finding these people can be even more time consuming. One third of small businesses report skills shortages among their current staff and one quarter encounter skills shortages when recruiting.

“Small businesses are dependent on the quality of their staff, that’s the only way we can compete, so I would spend more time training my staff.”

Perhaps that is why so many employers would chose to spend more time training their staff. 58 percent of business owners would devote more time to training and education, either in the workplace or the class room.

“I would devote extra time to Young Enterprise, going into schools one day a week motivating kids to think about setting up their own businesses.”

This should not be surprising. Employers depend on the product of our education systems; from school leavers to graduates they are the lifeblood of a business’ growth and development.

What would 7 extra hours mean for small business owners?

- *12 percent of business owners would create more jobs. Across the EU that could mean the creation of at least 1.4 million new jobs*
- *29 percent would spend more time on staff training*
- *24 percent of business owners would go into schools and other educational establishments to teach entrepreneurship*
- *5 percent would spend more time gaining skills for themselves*

What our members say...

“I’d like to spend more time passing on the tricks of the trade to young people. It’s our duty and it’s fun, being around young people with fresh ideas keeps you young.”

¹Small businesses spend five times as many hours per person on employee generated administration compared to larger businesses.



Time to innovate and grow

"Time is the greatest inventor."

Francis Bacon

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Innovative businesses generate jobs. Half of all new jobs in the EU are already created by less than 5 percent of high tech small and medium sized enterprises. This figure could be higher, but innovation and business expansion takes time that most entrepreneurs find that they do not have.

"With seven more hours each week I could dedicate more time to growing my business, rather than simply trying to survive."

At the moment over 58 percent of small businesses invest in new equipment, machinery or IT in response to market pressures and customer demand. 25 percent invest in expanding their product range for similar reasons. However, these are activities that happen in addition to the day-to-day running of the business.

"We operate in a very competitive market. We need time to work on the business and not just in the business. We need time to innovate."

The challenge of becoming the world's most competitive knowledge based economy demands that we stimulate innovation throughout society. Small businesses have the solutions for today's and tomorrow's problems. In the UK today 64 percent of commercial inventions already come from SMEs. With enough time, the sky's the limit!

"I could use that time to develop new recycling processes, which would create more jobs and recycle more. Last year we recycled 300 tons of computers, more time equals more recycling!"

What would 7 extra hours mean for small business owners?

- 50 percent of business owners would spend an extra seven hours developing their business through marketing or product development
- 7 percent would focus specifically on research and design

What our members say...

"I would devote myself 100% to running and growing my business. That's why I set it up, not to be a book-keeper for the government!"

What our members say...

"I would help a UK based inventor develop another innovation and another product, which would form the basis of a new business start-up in the UK."



Time to give something back

“What the world really needs is more love and less paperwork.”

- Pearl Bailey, American actress, singer

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Small businesses are not simply part of the local community, they are the local community. Small businesses represent the glue that binds local communities together and a thriving community is inconceivable without thriving local businesses. They generate jobs and social networks and they serve as conduits for new ideas and technologies.

“Most business owners are embedded in the local community. If we do well the community prospers, if we withdraw then communities start to wither on the vine.”

The vast majority of small businesses serve their local markets. As a result they are that much more responsive to the needs of their local community. 59 percent of business owners make donations to local charities from their business profits, whilst 32 percent already work with their local schools.

“My coffee shop is the focal point of the village, so I get the chance to look at the community and see what it needs.”

However, over 45 percent of small business owners cited a shortage of time as the key factor preventing them from giving more to their local communities. If every business owner had a few more hours, the local community would be better for it.

“I’m a volunteer worker with victim support. I already spend six hours a week on this but some extra time would mean I could help a few more people”.

What would 7 extra hours mean for small business owners?

- 39 percent of small business owners would use the extra time for community work
- 24 percent would invest time working with young people in schools
- 35 percent of business owners are already engaged in local community work such as councillors, mentors and fund raisers

What our members say...

“I would use the time to go to Cape Town. Our business funds a school there, we make sure that the kids have a hot meal every day.”

Time to relax, time to think

“Do not squander time, for that is the stuff life is made of”

- Benjamin Franklin

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Everybody needs time to relax and unwind, time away from the pressures of work. Achieving a sensible balance between work and life has been rightly identified as a priority for employees, but what about employers?

“You never switch off from running your own business. You are the boss so you are accountable 24/7. An extra seven hours devoted to me, my interests, my life, would be heaven.”

Being your own boss has its benefits, but it is also more difficult to find time for life outside the business. For many small business owners the paperwork and form filling begins when everyone else in the business goes home. SMEs spend five times as many hours per person on employee generated administration than larger businesses, and it’s getting worse².

In a recent survey two thirds of business owners admitted that their family life was suffering as a result of their workload. 83 percent said that an improved balance of life would make them happier.

“My main priority would be to spend more time with my family. I’ve got a four year old son and I’d like to be around a bit more to see him grow up.”

79 percent of small business owners work over 40 hours per week. 27 percent work between 50 and 60 hours per week, while 22 percent work over 60 hours per week. This is having a marked effect on people’s standard of life. Over 31 percent of small business owners perceive that their quality of life is worse as a result of owning a business.

“I probably work ten or eleven hours most days. With seven extra hours a week maybe I could take two weeks holiday a year instead of just one.”

What would 7 extra hours mean for small business owners?

- 43 percent of business owners would use some of the seven extra hours for leisure activities, such as hobbies, keeping fit and generally relaxing
- 37 percent would devote more time to their family

What our members say...

“I would spend more time with my grandchildren. I think as a grandparent I have a duty to pass on information and experiences, but at the moment they never see me.”

²For 55.6% of small businesses the time spent on legislative requirements has increased in the past two years (Barriers to Growth)

Conclusion

There are over 20 million SMEs in the EU - give back the 7 hours, give them more time to do their job and Europe will be a better place.

The benefits are clear:

- More jobs created and more time for staff training
- Growing businesses through product development and research
- Greater innovation through sharing of learning
- Stronger and more sustainable communities through local projects
- New talent nurtured in young entrepreneurs
- Healthy work/life balance and more quality time with family

“Neither can the wave that has passed by be recalled, nor the hour which has passed return again.”

- Ovid

Carpe Diem

“Time is running away from us. Seize the day; put no trust in tomorrow.”

- Horace



What would you do with 7 extra hours in your week?

What our members say...

“I do a lot with the Prison Service, getting people into jobs when they finish their sentences. I’d like to spend more time on that.”

“I run a first aid training company. We give 20% of all our training free to the local community and it would be good to have more time to do that, to make a difference.”

“A lot of companies like mine work with their local schools. It’s great to see kids with really good ideas gaining confidence.”

“A lot of businesses don’t employ graduates or students as their training takes up too much time. I would spend seven extra hours a week developing the potential of the next generation.”

“Of course we have to make a living, but it’s also important to us that we train people into the trade.”

“If I had 7 extra hours it would be nice to be able to develop young people, to pass on experience and skills that I have developed over my years in business.”

“We do a lot of training with our staff because this is so important. But just one extra hour a week to do some personal training would be useful.”

“I would probably use the time to talk to my staff and listen to what they have to say, because they have a lot of innovative ideas that can benefit the business.”



ISBN: 978-0-906779-73-6
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The Federation of Small Businesses (FSB) is the largest direct member business organisation in the UK, with over 210,000 members. It exists to promote and protect the interests of all those who own or manage small and medium sized enterprises.



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Published September 2007