Small Enterprise Research Report

The London 2012 Olympic And Paralympic Games

April 2008

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Business

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The London 2012 Olympic And Paralympic Games

April 2008 - Vol.5, No.1

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WEB VERSION: INTRODUCTION

The Lloyds Bank/TSB-sponsored series of small business management reports commenced in 1992, and concluded in 2009. In total, 53 reports were published over a period of 17 years.

Our target audience comprised the owner-managers of independent small businesses, typically employing fewer than 50, and based in mainland UK.

The series originated from a longitudinal study of small business management, undertaken by the Polytechnic of Central London (now University of Westminster), and culminating in: *The Management of Success in 'Growth Corridor' Small Firms*, (Stanworth, Purdy & Kirby, Small Business Research Trust, 1992).

THEMES

The themes were wide-ranging – including such as entrepreneurship, work & stress, employment strategies, and the environment – a full list is shown overleaf.

INSIGHT

In addition to asking questions and supplying the respondents with a range of answer options, the corresponding questionnaire was included as an appendix to each report so that readers would know exactly what questions had been put to respondents.

We also sought qualitative information – in the form of verbatim comments about the key theme – to help elaborate on whatever related challenges respondents felt they were facing at the time.

Finally, the findings are primarily intended to be indicative rather than definitive – partly due to the sample size, which is, on average, 111 for the 2003-09 reports.

PUBLISHING FORMAT

The reports were published in hard copy form, obtainable via subscription. Initially by the Small Business Research Trust, and from 2003, by the Small Enterprise Research Team (SERTeam), both research charities based at the Open University.

Regrettably, SERTeam ceased operating in 2009, and so in 2010 the authors felt that the more recent reports would find wider interest if they were made freely available in Acrobat format via the Internet – especially with the UK economy set for a protracted journey out of recession, and with the government in turn refocusing on smaller businesses to aid the recovery.

It is worth mentioning that the series commenced as the UK economy emerged from the early 1990s recession.

In 2015, the earlier reports were also converted (1993 to 2003), with the full series made available at Kingston University: http://business.kingston.ac.uk/sbrc

SUPPORTING INFORMATION (WWW)

In later years – as the world-wide-web developed and an increasing number of sources of information became more readily available – suggestions for online sources of related material were included.

N.B. For reports 2003 onwards - where successfully validated, the web links (URLs) were enabled in 2009. And in the case of many invalid web links, an alternative was offered, but not where the organisation appeared defunct and an obvious replacement was not traced.

John Stanworth, Emeritus Professor, University of Westminster
http://www.westminster.ac.uk/schools/business

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WEB VERSION PUBLISHING

http://business.kingston.ac.uk/sbrc

Certain content needed to be re-set, e.g., the figures in the earlier editions, but the report body content is intended to be identical to that in the printed original. This web version - an Acrobat document - is derived from the original DTP text and will permit searching.

LIABILITY DISCLAIMER

TABLE OF CONTENTS

ACKNOWLEDGEMENTS

The Small Enterprise Research Team (SERTeam) wishes to thank all responding firms for their time and effort involved in participation in the production of this management report. The SERTeam acknowledges the help provided by David Purdy, The Open University, and The University of Westminster, in designing the survey, processing data and analysing the results.

The Small Enterprise Research Team is particularly pleased to acknowledge the generous support provided by Lloyds TSB in sponsoring the research, analysis and presentation of this report. However, it is important to note that any opinions expressed in this publication are not necessarily those of Lloyds TSB.

Report Author – Professor John Stanworth (University of Westminster)
Series Editor – David Purdy

Lloyds TSB

The London 2012 Olympic And Paralympic Games

No.13 2008

HIGHLIGHTS

This is the thirteenth in a series of small business management reports based on surveys of a panel of small firms, mainly in manufacturing, retail/distribution and business services. The focus of this survey was on ***The London 2012 Olympic And Paralympic Games*** and the principal findings were as follows:

- ***Exploration of possible business opportunities*** *– A majority of respondents (66%) felt that The London 2012 Games are unlikely to have any material impact on their businesses, but at least 8% were actively exploring the possibilities, and 5% were engaged by way of downloading relevant materials or conducting various searches.*
- ***Exploration of possible business opportunities and sector variations – 14% of respondents in business services*** *had recently started to explore the possibilities compared with just 5% in retail/distribution and 6% in manufacturing.*
- ***Assistance with the exploration of possible business opportunities*** *– The need for further assistance was greatest concerning 'information on finding out about Olympics opportunities' (23%), followed by 'help identifying opportunities outside formal tendering' (15%), and obtaining regular information/updates about forthcoming tenders (12%).* ***Manufacturers appeared to register the greatest need regarding assistance in identifying opportunities outside formal tendering*** *(23%), compared with only 10% in retail/ distribution.*
- ***Expected beneficial impact on respondents – 23% of respondents were anticipating that The London 2012 Games would have a positive impact upon their businesses****, and 6% were anticipating negative impacts, leaving* ***a positive balance of +17% with favourable expectations*** *(the others remaining neutral).*
- ***Expected beneficial impact on respondents and regional variations*** *– When the same 'balance' calculation is applied to the regions,* ***there is a positive balance for each of the 3 main regions****, with the greatest impact being observed in the South (+22%), and the lowest, in the North (+11%).*
- ***Expected beneficial impact on respondents and sector variations – Manufacturing and retail/distribution respondents were those most likely to anticipate the greatest positive impacts (each 26%)****, in comparison with those in business services (14%).*
- ***Expected nature of impact on respondents – The widest impact by way of 'new business in existing markets' and 'wider customer base' was most evident amongst the larger firms (10-49 FTE employees)****, but there seemed to be little confidence in any beneficial impact being bestowed on smaller businesses in the North.*
- ***Expected timing of impact on respondents – The greatest positive benefit was expected to fall within the shorter-term*** *(within 2 years, for 17% of respondents), whereas about half as many thought that the main benefit would materialise in the longer-term, closer to the time when the events are being held.*
- ***Expected dispersion of benefits throughout the UK – Nearly two-thirds of respondents (64%) expected the UK to benefit economically from staging The London 2012 Games, but felt that such benefits would be restricted mainly to the South-East of the country****. Only a small proportion (15%) felt that such benefits would be spread throughout the UK, and 20% thought that there would be no economic benefit overall.*
- ***Expected dispersion of benefits throughout the UK and regional variations*** *– Respondents in the South were markedly more optimistic about the*

wider dispersion of economic benefits throughout the UK than respondents based elsewhere.

- ***Expected business prospects for 2012 – 28% of respondents were anticipating significant business growth by 2012.*** *However, similar proportions were evenly divided as to whether business prospects would be better or worse by then (both 27%).*

- ***Expected business prospects for 2012 and sector variations*** *–* ***Manufacturers generally were those most likely to expect significant growth****, with 39% indicating so, compared with 21% of business services firms, and 24% of those in retail/distribution. It is thought that the prospect of a weakening sterling to foreign currency exchange rate might have been offering some encouragement to manufacturers expecting to sell goods at lower prices in overseas markets.*

- ***Expected business prospects for 2012 and respondent age variations*** *–* ***45% of the respondents were thinking of retiring or selling their business during the intervening period or, alternatively, handing it down to their family****. For those thinking of selling the business, this rose from 16% for 35-44-year olds, to 44% for those aged 55-64. Thus many of the respondents could have been rather more concerned about exit routes and handover strategies rather than longer-term matters such as The London 2012 Games.*

- ***Personal interest and involvement*** *–* ***A majority of respondents (57%) said they would form part of the TV/radio audiences at the time of The London 2012 Games****, and nearly a third (30%) indicated that they hoped to attend one or more events in person.*

- ***Personal interest and involvement in different regions*** *–* ***The interest in attending in person declined markedly in relation to the distance from London, the Host City****, ranging from 51% for respondents in the South, down to 7% for those in the North. This variation may have been influenced by such factors as convenience, cost, and travelling time, from home to venue location.*

- ***Personal interest and involvement: other contrasts*** *–* ***70% of female owner-managers expressed an interest in following The Games on TV/radio****, compared with a half of male respondents (52%). Wider interest was evident amongst the relatively younger respondents.*

Lloyds TSB

The London 2012 Olympic And Paralympic Games

No.13 2008

MANAGEMENT ISSUES

The emphasis of the management reports is on monitoring the key management problems and practices of smaller business, with an emphasis on survival and success. Accordingly, each issue of the report addresses one or more highly topical small business management issues. In this survey we focus on **The London 2012 Olympic And Paralympic Games**. The report is produced three times a year.

THE SAMPLE

This report is based on the responses received from a panel of over 350 small businesses situated in the northern, midland and southern regions of Britain. Respondents are predominantly small firms with fewer than 50 employees, drawn mainly from the manufacturing, business services, and retail/distribution sectors of the economy. The precise distribution of firms varies from survey to survey, but typically over half of the participants employ fewer than 10 people.

RESULTS

The questionnaire completed by sample firms appears at the end of this report as an appendix. This survey was carried out between November 2007 and January 2008.

BACKGROUND

The report originates from a longitudinal investigation into the development of small firms undertaken by the University of Westminster (then the Polytechnic of Central London) on behalf of the Department of Education & Science, between 1988 and 1992.

PAST SURVEYS

2003-04 (Vol.1)
- **No.1 Small Firms and Politics**
- **2 Pensions**
- **3 Work-Life Balance**

2004-05 (Vol.2)
- **1 Education & Enterprise**
- **2 Made In Britain**
- **3 Management & Gender Differences**

2006 (Vol.3)
- **1 Local or Global ?**
- **2 Managing IT**
- **3 Networking In Business**

2006-07 (Vol.4)
- **1 Owner-Manager Flexible Working**
- **2 The Ageing Workforce**
- **3 Travel & Transportation**

THE LONDON 2012 OLYMPIC AND PARALYMPIC GAMES

> *"In December 2002 an independent nationwide opinion poll, carried out by ICM, confirmed the strength of public support across all age groups and through every region of the UK. Of the 3,200 asked "Do you think a bid should be made for London to host the 2012 Olympic Games?":*
> - *81 per cent said that they thought London should bid;*
> - *82 per cent in London itself supported the bid; and*
> - *support was as strong across the entire country, with Northern Ireland (87 per cent) and Scotland (84 per cent) the most supportive. Nowhere did the support fall below 75 per cent.*
>
> *Business is also behind the bid, with 81 per cent of 300 businesses polled by London Chamber of Commerce in January 2003 in favour of seeing the Games in London in 2012."*
> ***Candidate File*** (London 2012 Bid Document), Theme I: Motivation, Concept And Public Opinion, undated c.2004

Some months ago, when news emerged from a crucial meeting in Singapore that The Games would be staged in London, the decision was celebrated for days, weeks even, in the British press. Indeed, Prime Minister Tony Blair had been out there campaigning, so had London Mayor Ken Livingstone, and the Royals themselves had been involved in background hosting and canvassing of the Olympic Committee.

However, as time has gone on, the British press appears to have become more sceptical, running endless stories of rising costs, bigger budgets, worries about terrorism, restrictions to mobility in London in the run-up to the Games and questions concerning the overall benefits and costs of the entire venture.

Winning the rights to stage The Games had been a little like winning the football World Cup. After all, the competition was global, national pride was at stake and traditional enmities came to the fore – the French, above all others, having being in hot contention.

Now a long slog is faced in preparation for The Games – with a deadline set in stone – to deliver and, hopefully, prove that they were worthwhile in the first place. Obviously, the venture has both its fans and opponents, whilst some people will be simply indifferent. But what does it mean for small businesses and, if it means much at all, will enthusiasm be restricted largely to London and the South-East or will it be national ?

Responses

It is worth noting that a larger target audience than usual needed to be mailed with questionnaires to achieve a comparable sample size to previous reports. This might be viewed as evidence of only modest levels of interest in the topic by those running small businesses – not least because a project scheduled for delivery in 2012 could be viewed as a long way off and thus a low priority. However, amongst those who did reply, there were some strong opinions, including:

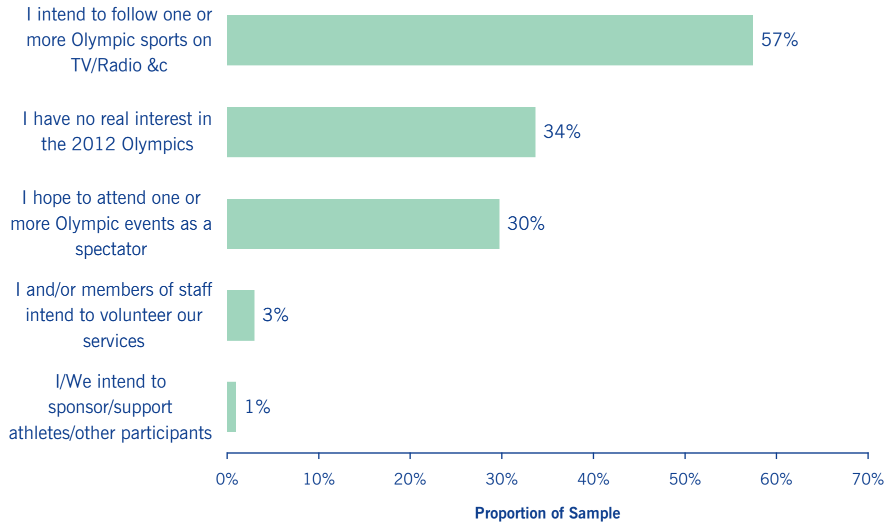
> *"Are the Olympics about sport or politics ? The sport is great and is good for the country, but the politics always leave a nasty taste."* (respondent based in the Midlands)

> *"We believe that the commercial benefits are greatly exaggerated and will be restricted to a relatively small section of the economy."* (South)

> *"Our business is involved in equestrian sport. Any sponsorship opportunities seem to have been carved up already to favoured companies."* (Midlands)

> *"Our business relies on freedom of access to our many customers*

Figure 1 - Extent Of Personal Interest & Involvement In The London 2012 Games



A general interest was evident amongst a majority of respondents

within the M25, and the many road closures, parking restrictions and anti-terrorist measures planned will be harmful to the business community." (South)

North-South Divide ?

Also, some of the respondents from beyond the South conveyed a sense of exclusion:

> *"I feel that nowhere but London and the South matter to any government, whether Olympics or not."* (North)

> *"The clue is in the title: 'London 2012'. Benefits will be obtained by mainly multinational companies unless one retails in the immediate area of the venue. Of course we will all be Olympians when it comes to paying for the event."* (Midlands)

> *"As the Olympics are for the most part being held in the SE of England, already overcrowded/over-funded etc., it will have a minute effect on the rest of the UK. Especially for small specialised traditional businesses."* (North)

Firstly, whilst the bulk of the sporting events are to be held in the South-East, it should be noted that many of the football events will be staged outside London: namely in Birmingham, Cardiff, Glasgow, Manchester and Newcastle upon Tyne (see Appendix 2, p.21), and as noted by a House of Commons Select Committee:

> *"The right to host the 2012 Olympic Games and Paralympic Games was won by London. Under the Olympic Charter, all sports on the Games programme should be held in the Host City, with the regular exception of sailing and the agreed exception of football. Much public support, however, was secured on the understanding that the benefits would be spread beyond London to all the nations and regions of the UK. The Lottery tickets which will make a substantial contribution to meeting the costs of the Games are being bought across the country. An effort has been made, within the constraints imposed by the International Olympic Committee, to disperse events."* ***London 2012 Olympic Games and Paralympic Games: funding and legacy***, House of Commons Culture, Media and Sport Committee, January 2007

Lloyds TSB

The London 2012 Olympic And Paralympic Games

No.13 2008

Figure 2 - Extent Of Personal Interest & Involvement In The London 2012 Games: 'Respondents Intending To Follow On TV/Radio etc.' By Gender

Greater interest was registered amongst female owner-managers

Secondly, the Government has underwritten the cost of the Games, as required by the International Olympics Committee, and there is also an understanding over a sharing agreement that further contributions – in the event of a shortfall – could come from London Council Tax and the National Lottery (House of Commons Culture, Media and Sport Committee, January 2007). And so the possibility of any shortfall being stood by the public purse probably render the Olympics as 'fair game' for concern amongst tax-payers and National Lottery participants, especially those recalling the experience of the Millennium Dome (which suffered mainly from a visitor shortfall rather than from project over-expenditure: receiving approximately 50% fewer visitors than the 12 million first forecast, and so by September 2000 the estimated net grant had risen from £399 million to £628 million, ***Winding-up The New Millennium Experience Company Limited***, National Audit Office, April 2002).

Figure 3 - Extent Of Personal Interest & Involvement In The London 2012 Games: 'Respondents Hoping To Attend One Or More Events' By Respondent Age

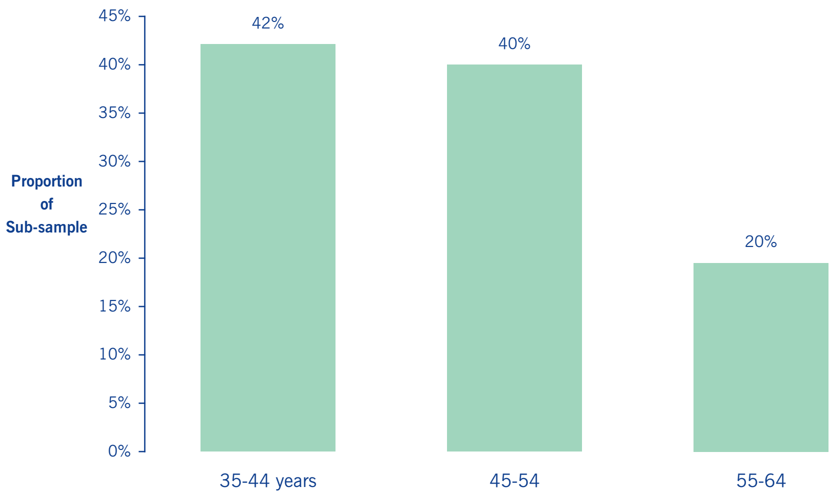
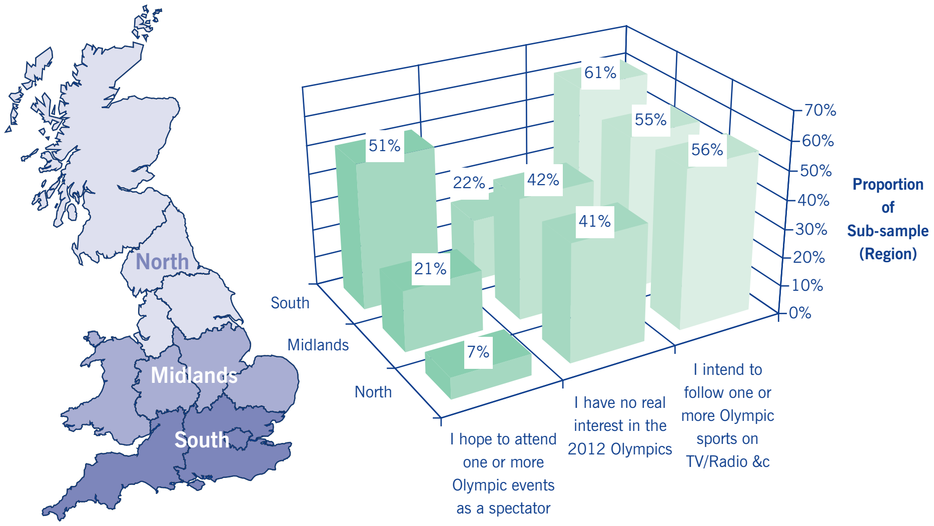


Figure 4 - Extent Of Personal Interest & Involvement In The London 2012 Games: By Region



Likely attendance at events influenced by travel distance and associated costs ?

Levels Of Personal Interest

In spite of the respondents' comments cited earlier, an analysis concerning the likely interest and involvement in The London 2012 Games suggests that the interest could be widespread.

A majority of respondents (57%) indicated that they would follow one or more sports at the time via the media, for example on television or on the radio (**Figure 1**). And nearly a third (30%) hoped to attend one or more of the events in person, although a similar proportion indicated that they had no real interest. However, a small proportion of respondents also indicated that they, or their staff, might become more closely involved as volunteers, sponsors, and so forth.

One interesting observation was the reversal of the traditional gender stereotype. **Figure 2** indicates that 70% of female respondents have at least some interest in The London 2012 Games, compared with about half (52%) of men.

Also, varying attitudes towards The Games were evident across different age tranches of respondents. **Figure 3**, for instance, shows that while around 40% of the respondents aged between 35-54 years of age were hoping to attend one or more events, this dropped by a half for those aged 55-64.

Moreover, the regional contrasts were also quite distinctive, suggesting a North/South divide in some respects (**Figure 4**).

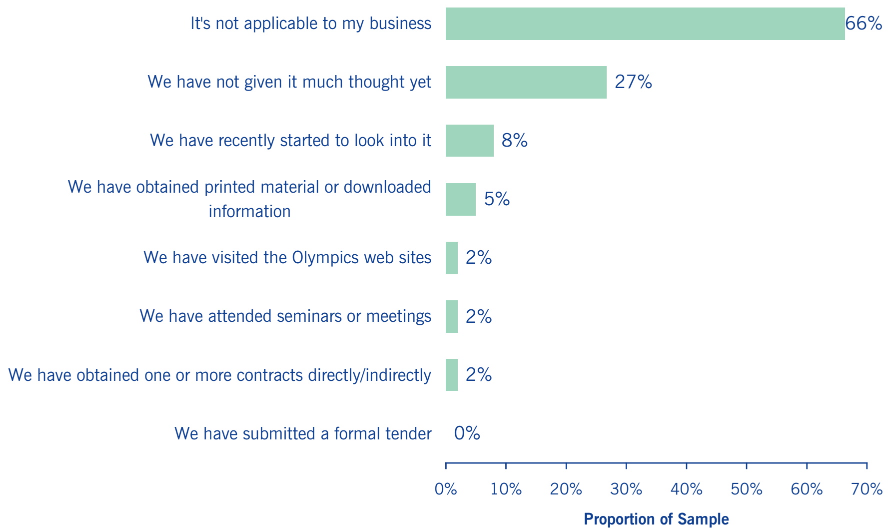
There was little variation in interest in following The Games say on TV or radio – using modern media – ranging between 55-61%. But the interest in attending in person declined markedly in relation to the distance from London, the Host City, ranging from 51% for respondents in the South down to 7% for those in the North. It seems possible that this variation was influenced by such factors as convenience, cost and travelling time from home to venue, although a lack of awareness that the football events will be dispersed throughout mainland UK could be another factor, too.

Also, the lack of interest was most pronounced in the North and Midlands – at just over 40%, typically twice the level of that in the South.

Exploration Of Possible Business Opportunities

Whilst a majority of respondents (66%) felt that The Games are unlikely to have

Figure 5 - Exploration So Far Of Possible Business Opportunities Arising From The London 2012 Games



any material impact on their businesses (**Figure 5**), at least 8% appeared to be actively exploring the possibilities, and 5% engaged by way of downloading relevant materials or conducting various searches. Whilst none had submitted formal tenders, 2% claimed to be involved in one or more contracts either directly or indirectly.

With reference to sector variations, 14% of respondents from business services had 'recently started to look into it' compared with just 5% from retail/distribution and 6% from manufacturing. Larger firms (10 or more FTE staff) and female-led businesses appeared slightly more active here than their smaller and male counterparts.

Further Assistance

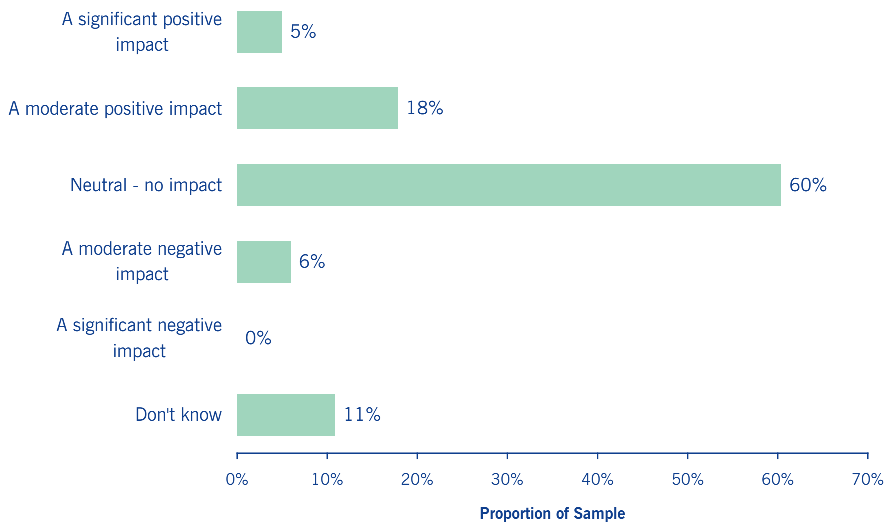
The need for further assistance was greatest concerning 'information on finding out about Olympics opportunities' (23%), followed by 'help identifying opportunities outside formal tendering' (15%), regular information/updates about forthcoming tenders (12%), advice and assistance with the tendering process (12%), 'assistance in converting opportunities into long-term gains' (10%), and, 'advice on how to improve your business's green credentials (9%).

Regarding assistance in identifying opportunities outside formal tendering, manufacturers appeared to register the greatest need, with 23% indicating so, compared with only 10% in retail/ distribution.

At this early stage in The 2012 London Games, it might be useful to appreciate that many of the current procurement contracts on offer appear to be construction-related (see Appendix 3, p.22). And also, regarding the absence of any respondents having submitted formal tenders, to note this comment from the London Assembly on SMEs and The Games:

> *"Many small firms will never be in a position to bid for the major Olympics contracts due to their size and associated capacity constraints. Realistically if small and medium sized firms are to be encouraged to bid for Olympics contracts then they should aim to win lower tier contracts within the supply chain or smaller specialist contracts."* ***The Business of the Games***, London Assembly, February 2006

Figure 6 - Likely Commercial Impact Of The London 2012 Games On Respondents' Businesses



Nearly a quarter of respondents are expecting a positive benefit of some sort

Anticipated Impact On Businesses

Figure 6 suggests that, whilst 60% of respondents expected The Games to have no impact on their businesses, 5% anticipated a significant positive effect and a further 18% anticipated at least a moderate positive effect. Thus a total of 23% were anticipating positive effects upon their businesses. If the 6% anticipating negative impacts are deducted, this still leaves a positive balance of +17% with favourable expectations for themselves.

Regional variations suggest, again, a wider beneficial impact for respondents based in the South, but declining as the distance increases from the Host City (**Figure 7**).

Manufacturing and retail/distribution respondents were those most likely to anticipate the greatest positive impacts (both 26%), in comparison with those in business services (14%).

Figure 7 - Likely Commercial Impact Of The London 2012 Games On Respondents' Businesses: 'Respondents Expecting A Positive Impact' By Region

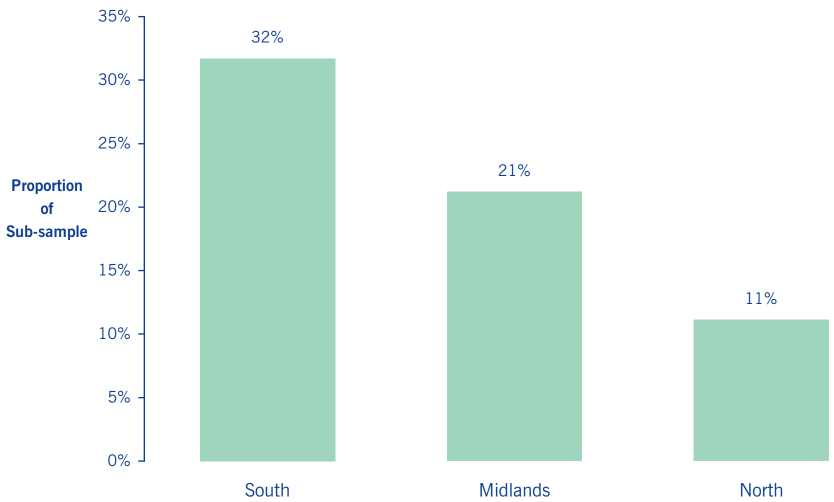
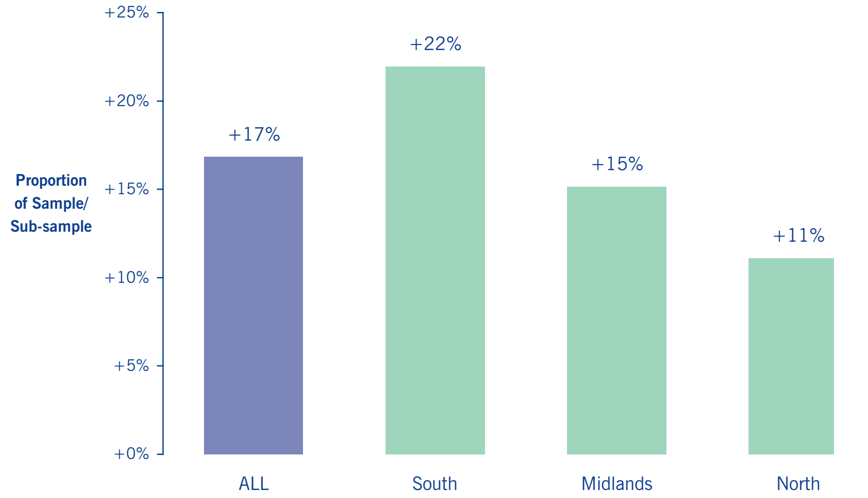


Figure 8 - Likely Commercial Impact Of The London 2012 Games On Respondents' Businesses: Balance Of Impacts (Positive Minus Negative), By Region

A positive balance is evident for all regions

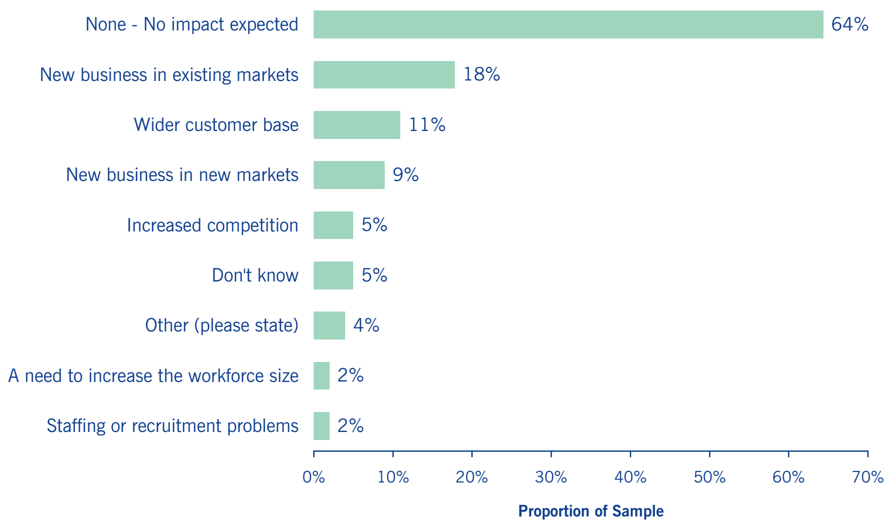


To obtain a crude indication of overall impact, the negative responses can be subtracted from all the positive responses, to see whether the overall balance is positive or negative. Using the values in Figure 7 results in a positive balance of +17% overall (5%+18% - 6%), bearing in mind that this is essentially a count of the number of respondents rather than an assessment of overall economic value.

When the same 'balance' calculation is applied to the regions, there is a positive balance for each of the 3 regions, with the greatest impact in the South (**Figure 8**).

Some variation in 'balance' impacts can be seen across the size range: where the larger firms (employing 20-49 staff) were more than twice as likely to see a positive impact (+36%) than the smaller respondents (ranging from +11% to +15%). Similarly, there was +21% balance for male respondents compared with just +6% for

Figure 9 - Expected Nature Of Commercial Impact Of The London 2012 Games On Respondents' Businesses



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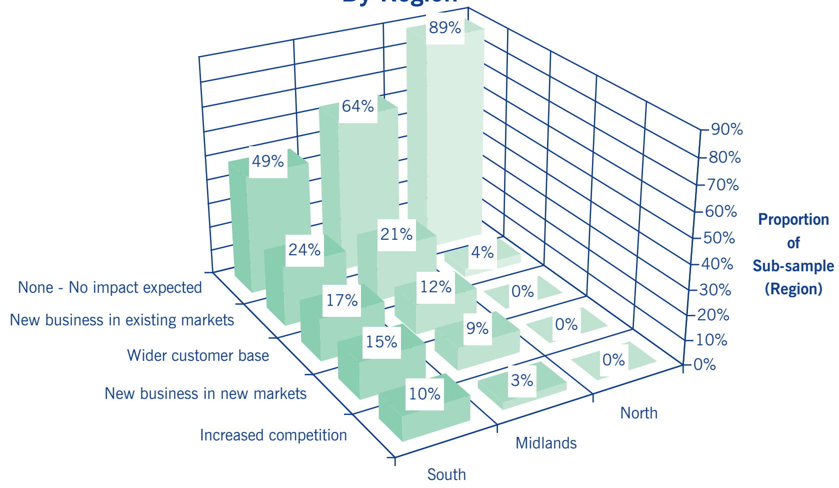
The London 2012 Olympic And Paralympic Games

No.13 2008

Figure 10 - Expected Nature Of Commercial Impact Of The London 2012 Games On Respondents' Businesses: By Region



Expectations of direct benefit mainly in the South and Midlands

women. Thus, it appears that the larger male-led firms in the sample were most optimistic about their prospects resulting from The Games.

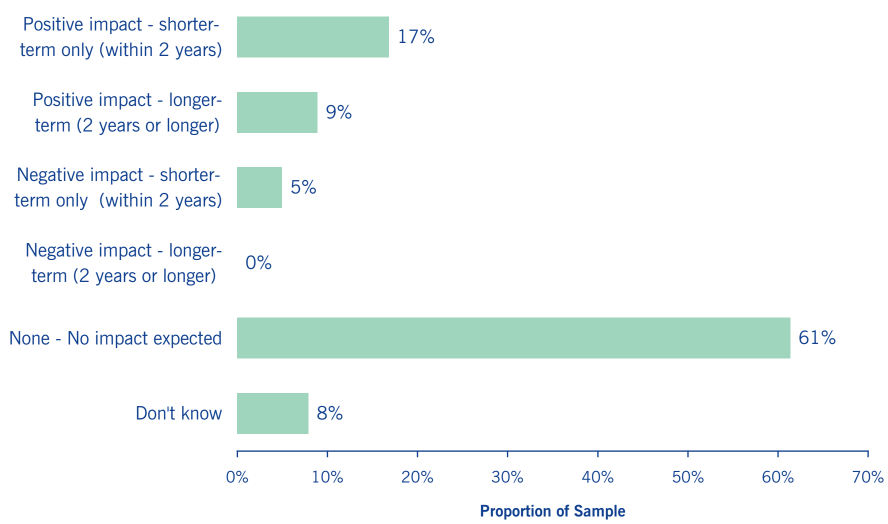
Nature Of Impacts

Figure 9 lists the anticipated impacts by their nature rather than their extent, and **Figure 10** does likewise for the 'top 5' responses by region. In contrast to the positive balance indicated for the North in Figure 8, there seems to be little confidence of any beneficial impact amongst smaller businesses in that region. However, the widest impact by way of 'new business in existing markets' and 'wider customer base' was most evident amongst the larger firms (10-49 FTE employees).

Benefits – When ?

The greatest positive benefit was expected to fall within the shorter-term (17%), whereas about half as many (9%) thought that the

Figure 11 - Expected Duration Of Commercial Impact Of The London 2012 Games On Respondents' Businesses



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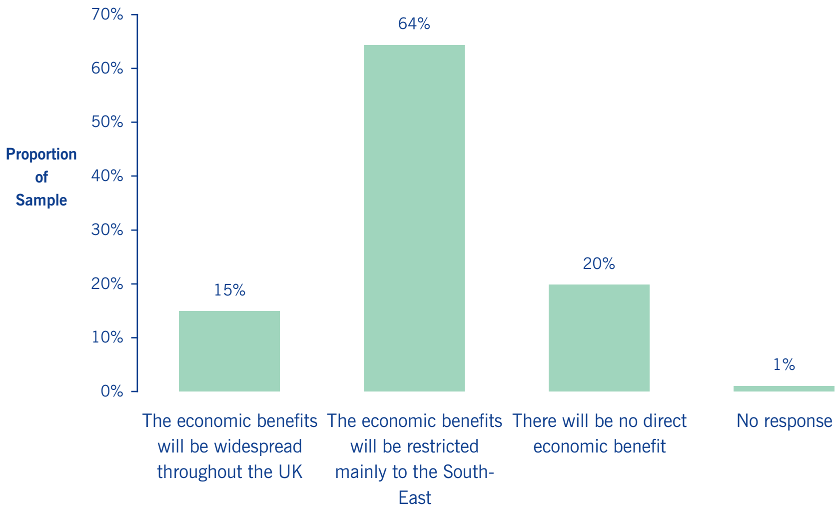
The London 2012 Olympic And Paralympic Games

No.13
2008

Figure 12 - Expected Dispersion Of Economic Benefits Arising From The London 2012 Games

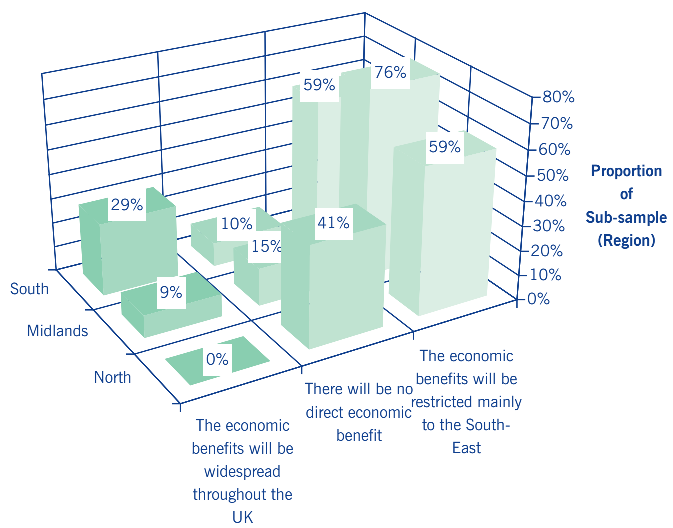


main benefit would materialise in the longer-term (**Figure 11**). This was consistent with the responses to a separate question about the timing, whereby 14% expected to see the main commercial impact between 2009-2012, and another 14% at the time of The Games (but 60% expecting no impact).

Benefits – Who ?

Figure 12 indicates that nearly two-thirds (64%) expected the UK to benefit economically from staging The Games, but felt that such benefits would be restricted mainly to the South-East. Only a small proportion (15%) felt that such benefits would be spread throughout the UK, and 20% thought that there would be no economic benefit overall. However, the potential benefits are not necessarily restricted to the economic domain, for example, the possibility of stimulating a wider participation in sport could be accompanied by positive health impacts.

Figure 13 - Expected Dispersion Of Economic Benefits Arising From The London 2012 Games: By Region

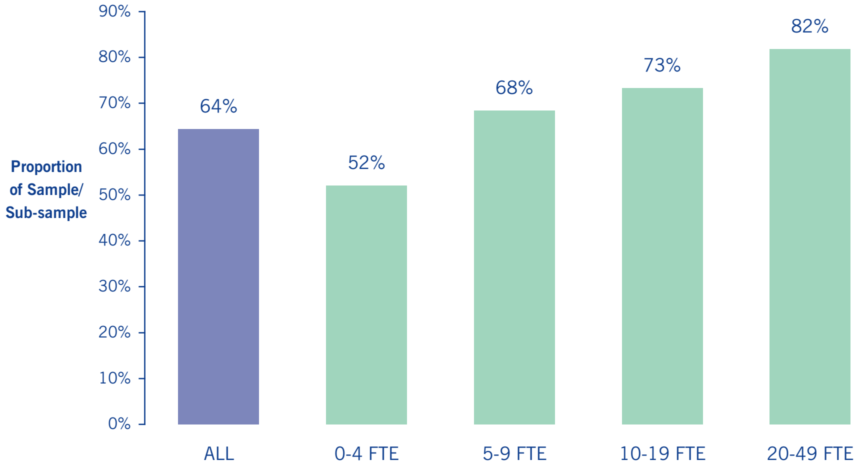


Lloyds TSB

The London 2012 Olympic And Paralympic Games

No.13 2008

Figure 14 - Expected Dispersion Of Economic Benefits Arising From The London 2012 Games: Respondents Selecting 'Benefit Will Be Restricted Mainly To South-East' By Employee Size



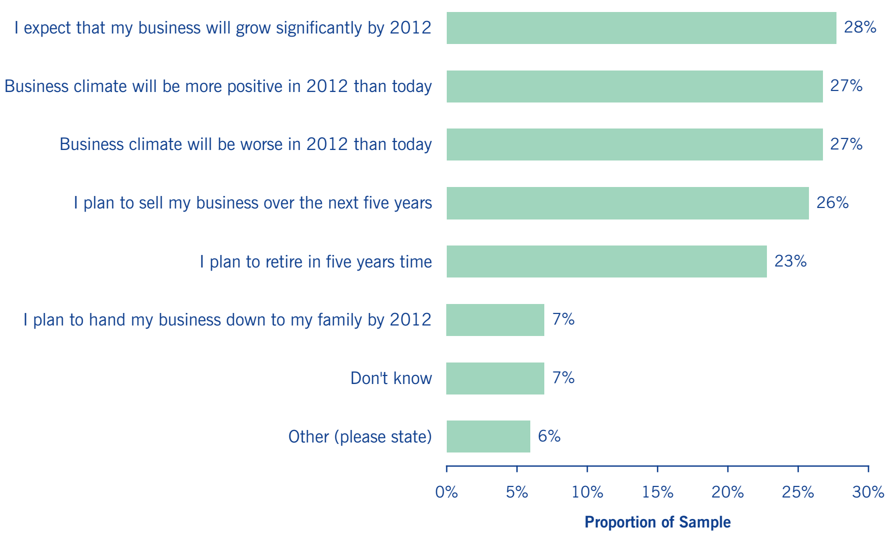
The familiar North-South divide is again evident in **Figure 13**, with a marked contrast regarding the expected dispersion of benefits throughout the UK. The view from the South seems to be more optimistic about the wider dispersion of economic benefits, possibly begging a question about the extent to which those residing in the buoyant South fully appreciate the circumstances and attitudes prevailing beyond the South-East.

Male respondents were more than twice as likely than the females to expect no overall economic benefit from The Games (24% vs. 10%), and there was a noticeably greater tendency for the larger firms to feel that the economic benefits would be restricted mainly to the South-East (**Figure 14**).

Business Prospects For 2012

Respondents' expectations for 2012 are illustrated in **Figure 15**, with 28% anticipating significant business growth by

Figure 15 - Expected Business Climate In 2012



then, but with similar proportions evenly divided as to whether business prospects will be better or worse by then.

Manufacturers (and male respondents) generally were those most likely to expect significant growth, with 39% indicating so, compared with 21% of business services firms, and 24% of those in retail/distribution. At the time of writing, there was a prospect of a weakening sterling to foreign currency exchange rate, possibly offering some encouragement to manufacturers selling goods at reduced prices in overseas markets.

Regionally, respondents in the Midlands were least optimistic about a more positive business climate by 2012, only 15% feeling this way, compared with 30% of those in the North, and 34% in the South.

Exit Routes

Interestingly, a separate analysis indicated that approximately 45% of the respondents were thinking of retiring or selling their business during this period or, alternatively, handing it down to their family. Indeed, for those thinking of selling the business, this rose from 16% for 35-44-year olds, to 44% for those aged 55-64. Thus many of the respondents could have been rather more concerned about exit routes and handover strategies rather than longer-term matters such as The Games.

Concluding Comments

The regional disparities in the responses are noteworthy, but whether The London 2012 Games ultimately unite or divide the UK remains to be seen. One key issue could be the extent to which significant capital expenditure over-runs – should they materialise – precipitate public sector contributions.

However, a 'successful' Games – in terms of efficient management and promotion, accompanied by sporting success amongst home athletes – may well counter such concerns.

RESPONDENTS' COMMENTS

These commence in verbatim form on p.17 (a small number of comments not relating to The Games have been excluded).

REFERENCES: THE LONDON 2012 OLYMPIC AND PARALYMPIC GAMES

The following references are offered as an aid to readers interested in seeking further information via the world-wide-web. The coverage is not intended to be definitive, and inclusion here should not imply either agreement or disagreement with the views expressed via these sources. Some web sites have appeared before, but there is usually a section noted with interests relevant to the theme of this report.

Special care should also be taken with material obtained from **outside** the UK, where different legal issues may apply.

N.B. Some pages may contain links to other WWW pages offering related material. Tip: The WWW links were functional at the time of going to print, but the world wide web is in a state of constant change. So if later problems arise with a link, edit the link back to the 'home page' – e.g., truncate http://www.bized.ac.uk/fme/xyz.htm back to http://www.bized.ac.uk/ – and look for a similar topic heading there.

- **CompeteFor**
  Information about Games-related contract opportunities, acting as "a brokerage service between buyers throughout the London 2012 supply chain, and potential suppliers", plus, "access to business support services; building skills and capacity to ensure that businesses across the UK can access opportunities linked to the hosting of the London 2012 Games."
  https://www.competefor.com/london2012business/login.jsp

- **London 2012 eTendering**
  "Allows companies to take part in tenders announced by the Olympic Delivery

SOUTH

Architect	*Infrastructure will be the only long-term benefit to London.*
Computer-Aided Drafting Services	*The estimated cost is now 3 times more than the original estimate and no doubt will increase several more times before 2012 ! Anyone with half a brain realised in 2006 that the estimate was ridiculous [low] and a ploy to get the public on board.*
Dentist	*[There is a need] To look for the best long-term spin-off effect from mainly [the] tourist industry.*
Labelling For Cosmetics & Toiletry Industries	*From a business perspective for our company the 2012 Olympics is not of much relevance.*
Legal and Debt Recovery Services	*I suppose it will be more public money wasted and a lot more congestion for London residents*
Manufacturing Broom Clamps and Holders, Yard Scrapers	*The people of London and the South will rue the day that Britain won the right to host 'The London 2012 Olympics'.*
Recruitment Agency	*Is it yet another white elephant ?*
Reprographics	*Have a fixed budget ! Anyone can spend money easily without restraint.*
Textile Marketing	*Whilst we anticipate a fillip to the economy leading up to and at the time of the Olympics, we are greatly concerned to read about the planned restrictions to mobility within the central area of London. Our business relies on freedom of access to our many customers within the M25, and the many road closures, parking restrictions and anti-terrorist measures planned will be very harmful to the business community. We also believe that the commercial benefits are greatly exaggerated and will be restricted to a relatively small section of the economy.*

Authority, in a secure and efficient way."
https://etenders.london2012.com/web/login.shtml

- **London 2012 Olympic & Paralympic Games Official Site**
  The London Organising Committee of the Olympic and Paralympic Games (LOCOG) is responsible for preparing and staging the 2012 Games.
  http://www.london2012.com/

- **London Development Agency (LDA)**
  http://www.lda.gov.uk/

- **Ready for Business – West Midlands – Twenti Twelve Tenders**
  "The Portal to Assist Firms at the Heart of Britain to Go for Business Gold", supported by the Regional Development Agency, Advantage West Midlands. Other RDAs may be similarly involved.
  http://www.ready-for-business.co.uk/

- **Supply2.gov.uk**
  "A government backed service designed specifically to give companies easy access to lower value contract opportunities (typically worth under £100,000) offered by the public sector." Olympic Delivery Authority tenders will also be available through Supply2.gov.uk
  http://www.supply2.gov.uk/competefor.shtml

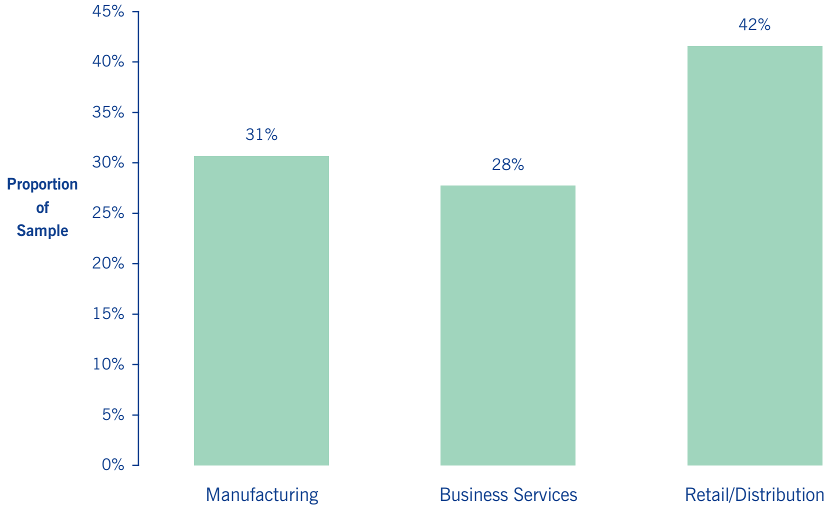
MIDLANDS

Chartered Accountants	*Are the Olympics about sport or politics ? The sport is great and is good for the country, but the politics always leaves a nasty taste.*
Equestrian Equipment	*Our business is involved in equestrian sports. Any sponsorship opportunities seem to have been carved up already to favoured companies !*
Graphic Designers	*I cannot imagine how this event will benefit us economically. The money could surely be better spent elsewhere.*
Hardware and Pet Store	*The clue is in the title: 'London 2012'. Benefits will be obtained by mainly multinational companies unless one retails in the immediate area of a venue. Of course we will all be Olympians when it comes to paying for the event !*
Insurance Brokers	*Apparently poor direction and management of financial expectations and controls.*
Steel Stockholders & Processors	*It may well affect some of our customers, but so did the Millennium Projects. Not really much impact on our business.*

NORTH

Garage Services & Car Sales	*I feel that nowhere but London and the South matter to any government, whether Olympics or not.*
Gentlemen's Outfitting	*[The] 2006 Open Golf (local to my business) had little local benefit, as visitors came and went and did not stay and spend. Will this be the same for [the] 2012 Olympics ?*
Hot Foil Printing	*Better Not ! [offer any comments]*
Industrial Protective Clothing	*Availability, if any, of retail trade stands at the Olympic stadium.*
Paint Spraying & Mixing Equipment	*The Olympics should be run as a business and be made bankrupt [if necessary] instead of being funded by tax-payers.*
Recruitment - Contract & Permanent	*I will watch on TV our second rate efforts.*
Repair/Restoration Of Antique Clocks	*As the Olympics are for the most part being held in the SE of England, already overcrowded/over-funded etc., it will have a minute effect on the rest of the UK. Especially for small specialised traditional businesses.*

Figure 16 - Profile Of Sample: Respondents By Industrial Sector



APPENDIX 1 - ADDITIONAL INFORMATION

As an aid to the interpretation of the various figures (histograms), we have included some further information about the firms responding to this survey.

The analyses involve key variables, and **industry sector** and **employee size** are those most frequently used as they are reasonably reliable indicators and less prone to misinterpretation. Other variables have also included **region**, **sales growth**, **respondent age** and **sex**.

Industrial sectors – based on the descriptions supplied by respondents, each firm is coded according to the Standard Industrial Classification (SIC 1980). Firms are then grouped into manufacturing, business services, retail/distribution. Firms falling outside these 3 bands – which would otherwise classified as ‘other’ – are allocated

Figure 17 - Profile Of Sample: Respondents By Region

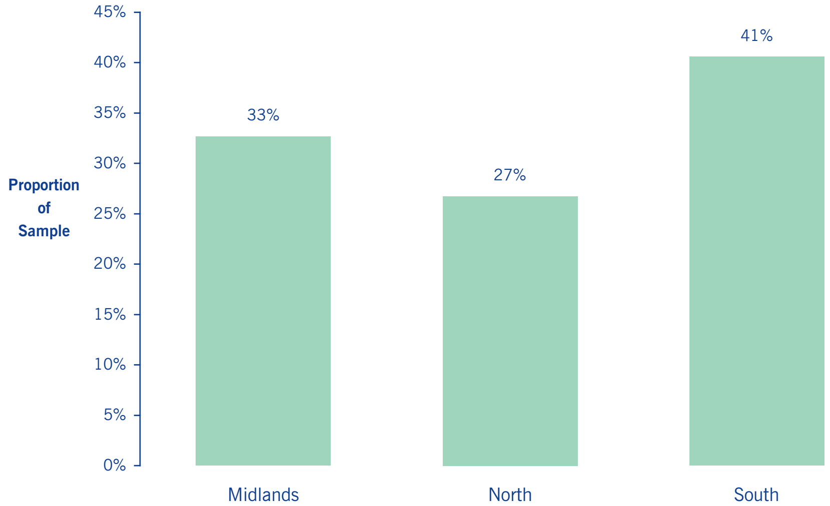
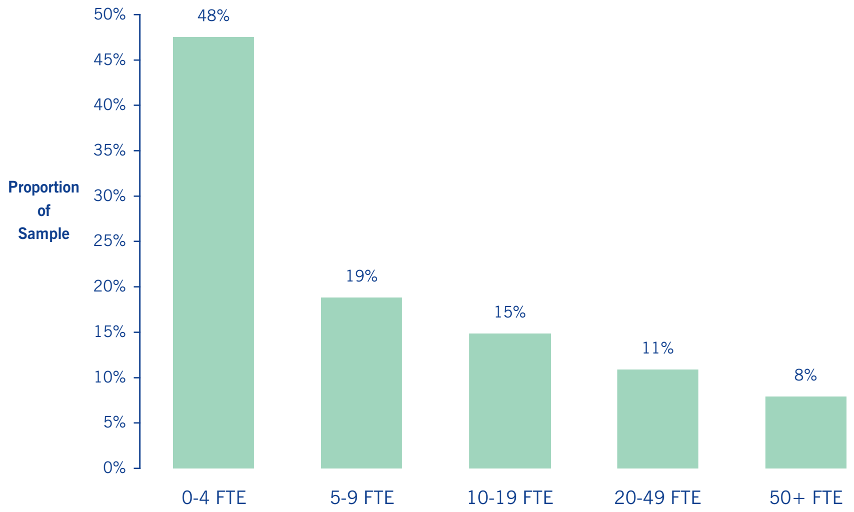


Figure 18 - Profile Of Sample:
By Employee Size



to the foregoing sector which offers the closest match.

Regions - firms are also classified according to their physical location, namely, North, Midlands and the South.

Employee size - finally, firms are placed in bands according to the number of employees. Each part-time employee is assumed to be equivalent to 40 per cent of a full-time employee ('FTE' = full-time equivalent). All of the surveys to date have received only a small number of responses from firms with 50 or more FTE employees. These responses have been **included** in the breakdowns for the **sectoral** and **regional** analyses, but have been **excluded** as a '50+FTE' band in the **employee-size** analyses (the 'All' band in each histogram includes all usable responses regardless). This is because a percentage breakdown band based on just two or three firms may not be representative of this size of business.

Distribution of firms

The highest proportion of respondents is in retail/distribution (42%; compared with manufacturing, 37%, for the previous report), see **Figure 16**.

The South region has the largest representation, with 41% of the sample's respondents (44% previously), see **Figure 17**.

Manufacturing and business services firms in samples can tend to be larger, in terms of employees, whereas the firms in retailing/distribution may have fewer full-time equivalent employees. Likewise, the sample is biased towards the smaller businesses – but not the very smallest (sole traders), of which there is a preponderance amongst the small firms population generally. The employee size distribution for the sample is shown in **Figure 18**.

In terms of respondent age, they are predominantly 35 years or older, with the bulk between 45 and 64 years' old.

Finally, the sample is predominantly male (70%, compared with 71% previously).

Abbreviation of questionnaire text

It should be noted that, for reasons of space and, hopefully, clarity, questions and response options are sometimes abbreviated in the report text and the accompanying figures. The exact wording used is shown in the questionnaire appendix.

APPENDIX 2

CITIES & COMMUNITIES HOSTING THE LONDON 2012 GAMES

AUTHORITY	*ROLE*
LONDON	
Corporation of London	*Marathon*
London Borough of Barnet	*Cycling (Road)*
London Borough of Brent	*Football*
London Borough of Camden	*Softball, Cycling (Road)*
London Borough of Greenwich	*Gymnastics (Artistic/Rhythmic/Trampoline), Equestrian, Basketball, Badminton, Modern Pentathlon, Shooting*
London Borough of Hackney	*Olympic Park*
London Borough of Haringey	*Cycling (Road)*
London Borough of Merton	*Tennis*
London Borough of Newham	*Olympic Village, Olympic Park, Boxing, Judo, Wrestling, Taekwondo, Table Tennis, Weightlifting, Marathon, Race Walk, Water Polo*
London Borough of Tower Hamlets	*Olympic Park, Marathon, Race Walk*
London Borough of Waltham Forest	*Olympic Park*
Westminster City Council	*Archery, Cycling (Road), Baseball, Beach Volleyball, Triathlon, Marathon*
OUTSIDE LONDON	
Birmingham City Council	*Football*
Cardiff City Council	*Football*
Glasgow City Council	*Football*
Manchester City Council, Trafford Metropolitan Borough Council	*Football*
Newcastle City Council	*Football*
Buckinghamshire County Council, South Bucks District Council	*Rowing, Canoe/ Kayak (Flatwater)*
Hertfordshire County Council, Borough of Broxbourne	*Canoe/Kayak (Slalom)*
Dorset County Council, West Dorset District Council, Weymouth and Portland Borough Council	*Sailing*
Essex County Council, Brentwood Borough Council	*Cycling (Mountain Bike)*

Source: ***Candidate File*** (London 2012 Bid Document), Theme 2: Political and economic climate and structure, undated c.2004, http://www.london2012.com

APPENDIX 3

EXAMPLES OF THE LONDON 2012 GAMES FUTURE PROCUREMENT OPPORTUNITIES
February 2008

CONTRACT TITLE	CATEGORY
Capital Project (Screening - personnel & vehicle)	Services
Command Control & Integration	Services
Contact Centre	Services
Door Drop (Postal services)	Services
Greenwich (Badminton) Designer	Services
Hockey Designer	Services
New Utilities Wireless Telecommunications Network	Services
Parkwide Others - Services/Systems	Services
Royal Artillery Barracks (Shooting) Designer	Services
Technical Design Review Panel	Services
Site Wide Renewables	Supplies
Basketball Contractor	Works
Broxbourne (Canoe)	Works
CCTV/Lighting	Works
Eton Dorney (Rowing)	Works
Eton Manor Contractor	Works
Fencing Contractor	Works
Greenway - West Ham Ramp	Works
Greenwich (Badminton) Contractor	Works
Handball Arena Contractor	Works
Hockey Arena Contractor	Works
Lea Naviagation Bridge Contractor	Works
Lea Navigation Legacy Highway Bridges	Works
New Utilities - Fixed Telecommunications Network	Works
Off Park Specials - Stratford High Street Bridge Contractor	Works
Off Park Specials - West Ham Underpass Contractor	Works
Park Framework Suppliers & Contractors	Works
Royal Artillery Barracks (Shooting) Contractor	Works
Structures, Bridges & Highways Legacy Conversion	Works
Transport Malls - Coachparks	Works
Velopark BMX Construction	Works

Source: Official site of The London 2012 Olympic and Paralympic Games
http://www.london2012.com/get-involved/business-network/future-procurement-opportunities/

Small Enterprise Research Report
LONDON 2012 OLYMPIC & PARALYMPIC GAMES

SERTeam

Report No.13 - 2007 - Sponsored by Lloyds TSB

We are seeking the views of small firm owner-managers. This questionnaire will take approximately 5-10 minutes to complete – most answers require only a single tick. All information received will be treated in complete confidence. PLEASE RETURN AS SOON AS POSSIBLE.

1a Workforce size – Please indicate the total number of people working in your business (including yourself):

Full-time .... ________ A

Part-time (16 hrs/wk or less) ________ B

1b Respondent age – Your age last birthday:

- 16-24 years .... ❑ A
- 25-34 .... ❑ B
- 35-44 .... ❑ C
- 45-54 .... ❑ D
- 55-64 .... ❑ E
- 65 or over .... ❑ F

1c Respondent gender – Your gender:

- Male... ❑ M
- Female .... ❑ F

2 Anticipated business climate in 2012 – Please indicate which of the following options might apply in 5 years time:

Tick all which apply

- I feel that the business climate will be more positive in 2012 than today ❑ A
- I feel that the business climate will be worse in 2012 than today ❑ B
- I expect that my business will have grown significantly by 2012 ❑ C
- I plan to retire in five years time ❑ D
- I plan to sell my business over the next five years ❑ E
- I plan to hand my business down to my family by 2012 ❑ F
- Other (please state): ❑ G

____

Or Don't know................................ ❑ I

3 Personal interest and involvement – Please indicate which of the following activities will apply to yourself for the London 2012 Olympic & Paralympic Games:

Tick all which apply

- Either I or my business intend to sponsor/support athletes and/or other participants ❑ A
- I and/or members of staff intend to volunteer our services ❑ B
- I hope to attend one or more of the Olympic events as a spectator ❑ C
- I intend to follow one or more Olympic sports on TV, radio, in print media or via the Internet ❑ D
- I have no real interest in the 2012 Olympics ❑ E

4 Exploration of possible opportunities – To what extent have you already acted in connection with the business opportunities associated with the 2012 Olympics ?:

Tick all which apply

- It's not applicable to my business .. ❑ A
- We have not given it much thought yet ❑ B
- We have recently started to look into how the business might be able to benefit from the 2012 Olympics ❑ C
- We have visited the Olympics web sites ❑ D
- We have obtained printed material or downloaded information about Olympics business opportunities ❑ E
- We have attended seminars or meetings about the Olympics business opportunities ❑ F
- We have submitted a formal tender ❑ G
- We have obtained one or more contracts, either directly or indirectly, in connection with the Olympics ❑ H

Please continue overleaf ...

5 Possible assistance for your business – Please indicate below where support might be helpful to capitalise on the business benefits of the 2012 Olympics:

Tick all which apply

	Information about where to find out about Olympics opportunities	❑	A
	Regular information/updates alerting you to forthcoming tender opportunities	❑	B
	Advice and assistance with the tendering process	❑	C
	Help in identifying opportunities outside the formal tender process	❑	D
	Assistance in converting the business opportunities into long-term gains	❑	E
	Advice on how to improve your business's green credentials (sustainability is a key issue for Olympics contract eligibility)	❑	F
Or	Don't know/Not applicable	❑	G

6 Anticipated impact – Please indicate which one of the following options best describes your expectations regarding the likely commercial impact of the 2012 Olympics <u>on your business</u>:

Tick ONE only

	A significant positive impact..........	❑	A
Or	A moderate positive impact...........	❑	B
Or	Neutral - no impact......................	❑	C
Or	A moderate negative impact..........	❑	D
Or	A significant negative impact.........	❑	E
Or	Don't know.................................	❑	F

7 Extent of any impact – Please indicate the nature of commercial impacts you would expect to see <u>on your business</u> as a result of the 2012 Olympics ?:

Tick all which apply

	New business in existing markets...	❑	A
	New business in <u>new</u> markets	❑	B
	Wider customer base....................	❑	C
	Increased competition..................	❑	D
	A need to increase the workforce size	❑	E
	Staffing or recruitment problems	❑	F
	Other (please state): ____________	❑	G
Or	None - No impact expected...........	❑	H
Or	Don't know.................................	❑	I

8 General duration of any impact – Please indicate the extent of the commercial impact <u>on your business</u> by the 2012 Olympics ?:

Tick ONE only

	Positive impact - shorter-term only (within 2 years)	❑	A
Or	Positive impact - longer-term (2 years or longer)	❑	B
Or	Negative impact - shorter-term only (within 2 years)	❑	C
Or	Negative impact - longer-term (2 years or longer)	❑	D
Or	None - No impact expected...........	❑	E
Or	Don't know.................................	❑	F

9 Timescale of any impact – Please indicate when you would expect to see the main commercial impact <u>on your business</u> by the 2012 Olympics ?:

Tick ONE only

	Before the end of 2008	❑	A
Or	Sometime between 2009-2012.....	❑	B
Or	Around the time of the Olympics....	❑	C
Or	Sometime after the Olympics.........	❑	D
Or	Never - No real impact expected	❑	E
Or	Don't know.................................	❑	F

10 Overall economic benefit from the London 2012 Olympics – Please indicate which one of the following sentiments is closest to your own viewpoint:

Tick ONE only

	The economic benefits of the 2012 Olympics will be widespread throughout the UK	❑	A
Or	The economic benefits of the 2012 Olympics will be restricted mainly to businesses and residents in the South-East	❑	B
Or	There will be no direct economic benefit	❑	C

11 'London 2012 Olympics' – If you have any strong views, especially if you feel that any aspect is not fully appreciated by other small businesses or by sections of the wider community, or by government, then please comment (on a separate sheet if you wish):

____

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Business

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