

The Huntly Business Needs Survey – a synopsis



Prepared by Ideas in Partnership on behalf of Huntly Business Association and Aberdeenshire Towns Partnership Huntly

November 2006

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1. Introduction

This document presents a synopsis of the results of the Huntly Business Needs Survey (HBNS). Huntly Business Association (HBA) and the Aberdeenshire Towns Partnership (ATP)¹ commissioned Ideas in Partnership to undertake the HBNS in from June to October 2006.

The aim of the HBNS is to help strengthen Huntly's position as an attractive, competitive place to do business in order to help ensure the town's robustness and sustainability. It was felt that the best way to achieve this was to consult existing businesses in the area.

The four objectives of the HBNS were to:

1. Compile an up-to-date database containing details of all businesses located in and around Huntly.
2. Identify key issues which local businesses want and need addressed to help them survive and flourish, thus re-establishing Huntly as a vibrant, rural service centre.
3. Formulate recommendations for ATP and other public sector organisations as to how they can help address the issues raised.
4. Formulate recommendations for the HBA on what the businesses surveyed want and expect from the organisation and how HBA can obtain greater involvement from local businesses.

¹ The Aberdeenshire Towns Partnership is a formal partnership between Aberdeenshire Council, Scottish Enterprise Grampian and Communities Scotland. ATP Huntly is also made possible by the support of the European Union.

2. Context

Huntly joined the ATP in late 2004. One of the first actions of ATP Huntly was to conduct a community consultation on the town's future development. This consultation resulted in a vision and six action themes, of which the community considered the most important to be 'promoting business development and growth'. The HBNS is a priority project of the business development and growth theme, as in other ATP towns a Business Needs Survey has proved to be a catalyst in both stimulating business development and providing the local business association with fresh impetus.



The opening of two new supermarkets on the edge of Huntly in spring 2006, and the relocation of manufacturing activities to Eastern Europe by one of Huntly's largest employers, gave the HBNS added urgency. ATP's presence in Huntly brings with it a window of opportunity in the shape of political, financial and other resources that will not be available to Huntly in the long term. The HBNS results provide a mandate and framework for HBA, ATP, their partners and local businesses to use some of these resources to set up projects to meet the needs of business in Huntly and district.

The HBA was reformed three years ago as the Huntly Traders Association by a number of traders concerned that Huntly was being overlooked and under-represented in commercial terms. Much of its early existence was taken up with reaction to the threat of the then proposed supermarkets and their subsequent construction. In 2005, the association took a decision to rename itself the Huntly Business Association in an attempt to appeal to all types of business in Huntly and its environs. Primarily the HBA set itself up as an enabling group with the intention of fostering sub groups to work on specific projects and also as a representative group to act on behalf of businesses in the town.

3. Methodology and sample

HBA and ATP set up the HBNS Task Force to assist Ideas in Partnership with the survey. This Task Force comprised the following people:

David Sherriffs	Proprietor, The Gordon Arms Hotel, Huntly and chairman of Huntly Business Association (HBA)
Mike Davies	Proprietor, Integra Web Design and HBA committee member
Douglas Rennie	Senior Business Development Executive, Aberdeenshire Council
Kevin Shand	Managing Director, RB Farquhar Ltd
Donald Boyd	Town Co-ordinator, ATP Huntly



The Task Force used local knowledge to help Ideas in Partnership cleanse a number of business databases to establish one consolidated Huntly Business Database of some 375 entries². This database is now in the possession of the HBA and ATP. Ideas in Partnership telephoned all 375 businesses on the Huntly Business Database to ensure they were happy to participate in the survey and to confirm their contact details. Ideas in Partnership then sent them the HBNS questionnaire.

² This includes surrounding settlements such as Rhynie, Aberchirder and Ythanwells and all farm businesses in between.

113 of the 375 businesses completed the survey questionnaires (30%). These represent a wide range of sectors currently trading in Huntly and district (Table 1). The research team are confident that the final sample gives a good indicator of the main issues facing businesses in the survey area.

Sector	Number	Sector	Number
Agriculture	27	Engineering	3
Retail	23	Financial/Legal	3
Food/Fish/Drink	13	Training/Education	3
Tourism	12	Oil & Gas	2
Professional Services	8	Renewable Energy	1
Construction	7	Environment	1
Medical/Healthcare	5	ICT/Software	1
Automotive Industry	5	Government Dept	1
Freight/Transport	4	Manufacturing	1
Business Services	3	Total	123*

Table 1: Main sector of business operation of the respondents to the Huntly Business Needs Survey
 * Several of the 113 respondents operate in more than one business sector.



4. Key findings

Section A: Huntly business profile

- Small businesses predominate in Huntly. 54% of the sample are sole traders and in total 84% of the sample have one to five employees (Figure 1).

Q1a. How many employees do you have based in Huntly? Full-time

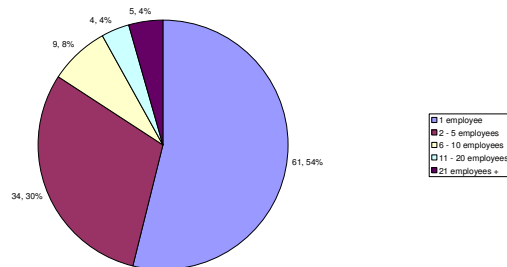


Figure 1: Employees in Huntly businesses

- The majority of businesses do not employ either part-time³ or seasonal staff.
- Most employees (over 70%) live within a 15-miles radius of Huntly.
- Huntly is home to many young businesses. 30 of the 113 respondents (27%) have been established since 2001.
- 40% of businesses stated that over 90% of their trade is from the local market.

³ The two new supermarkets were not included in the survey.

Section B: General business issues

The main **positive aspects** of running a business in Huntly are felt to be:

- Access/location (40 respondents)
- The people (14)
- Word of mouth business (11)
- Environment (10)

The main **priorities, problems and concerns** of the businesses surveyed are:

Factor	Nr	Factor	Nr
Transport costs	48	Exchange rate	10
Bureaucracy	42	Unable to procure goods or services locally	10
Taxation	32	Lack of training courses in immediate area	9
Cost of raw materials	28	Staff retention	8
Customer care	28	Identifying business opportunities	8
Recruiting staff	26	Minimum wage	7
Competition from supermarkets	26	Lack of market information	6
Cashflow	25	Property issues	6
Lack of disposable income in area	23	Diversification	4
Marketing/Advertising/Promoting & Targeting customers	20	Internet access	4
Business development	19	Lack of IT skills	4
Lack of tourists	12	Lack of business services in the area	3
Lack of working capital	12	Use of E-commerce	1
Lack of available skills	11	Total	371*

Table 2: Factors causing Huntly businesses concern (* More than one response per business)

69% of respondents stated that the main government agencies are not doing enough to help them.

Section C: Training

The 113 businesses surveyed identified the following training requirements:

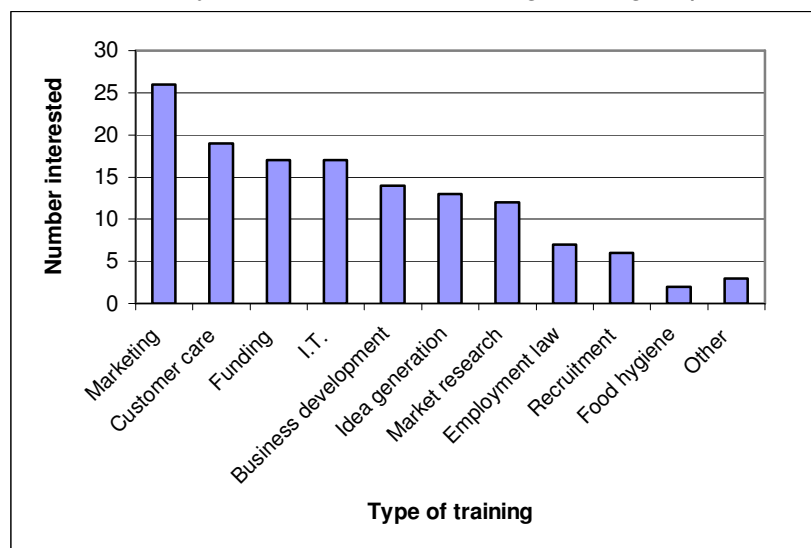


Figure 2: Training in which Huntly businesses would be interested (* More than one response per business)



Section D: Business opportunities

- Main current gaps in the local market identified by the respondents included clothes (7), shoes (3), business services (3) and computers & computer accessories (3). These provide opportunities for new or existing businesses.
- Other opportunities identified included increased housing, marketing the town to families, biofuels, tourism, diversification and pedestrianisation of Duke Street.
- 48% of the respondents saw their business increasing via the Internet.
- The starting point for Internet business is very low. Internet trade accounts for 0-10% of the custom of 87 of the 113 businesses (77%).

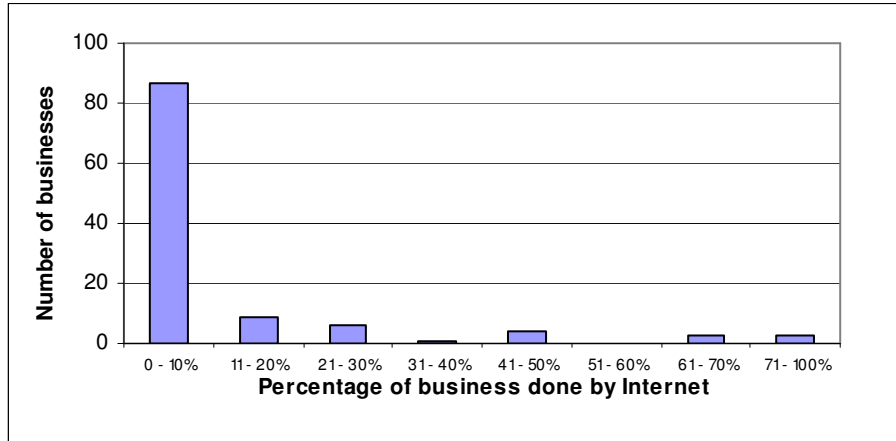


Figure 3: Percentage of business done via Internet by Huntly businesses

Section E: Huntly Business Association

- 91% of the respondents are not currently members of the HBA.
- 12% are definitely interested in joining with a further 35% not sure.
- The businesses surveyed would like the HBA to provide the following services:

Service	Number
Acting as a voice for the business community	65
Marketing Huntly as a business or tourism location	59
Helping with red tape	40
Addressing security/crime issues	38
Organising networking events	34
Arranging seminars featuring guest speakers	29
Organising social networking events	18
Helping source land for business or housing	14
Organising visits to other companies	12
Total	309*

Table 3: Services businesses expect/want from HBA. (* More than one response per business)

5. Conclusions

1. Huntly remains an **attractive regional centre for business** in the North-East of Scotland. Whilst major challenges undoubtedly exist in a time of enormous change, the town's location, people and environment clearly present business opportunities. The establishment of so many young businesses in the area (30 since 2001, out of a sample of 113) is very encouraging.
2. **Small, owner-managed businesses** such as **predominate in Huntly** face different challenges to larger companies. The most notable is the pressure on the time of the owner, as he/she has to work on all aspects of the business. This focus on operational issues leaves little time for strategic business development issues or training. If HBA is to appeal and serve these businesses it must tailor its services to meet their requirements.

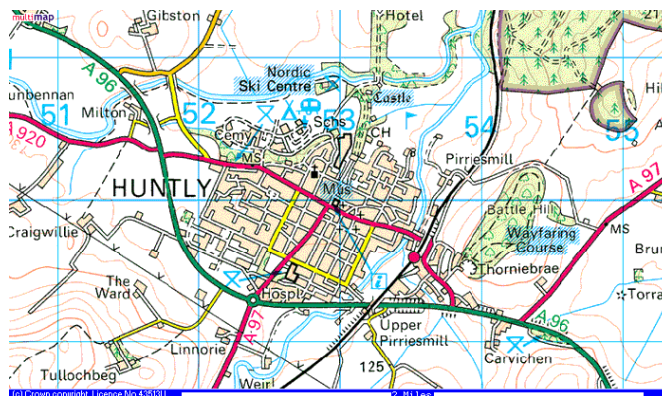
3. With the local marketplace being so important to so many local businesses Huntly starts from a stronger position than towns that have become essentially dormitories for Aberdeen. The challenge for Huntly businesses is to **retain** this **local custom** while identifying and capitalising on **opportunities further afield**.
4. A number of the major **problems** and concerns of Huntly businesses are **generic** to business across the UK (e.g. bureaucracy, taxation, transport costs). Others have become more pertinent locally (staff recruitment and retention, the challenge of the supermarkets).
5. The **training needs** identified by Huntly business e.g. marketing, business improvement, customer care and staff recruitment and retention can be served by a number of **local training providers**. HBA and ATP and other support agencies can and should play a role here.
6. Huntly businesses have a **low uptake and usage of ICT**, especially Internet and e-business. Such technology is only going to become more important for all businesses in the future. Huntly is very well-served by ICT (training) facilities with both the Huntly Learning Centre and the Scottish Enterprise E-Business Demonstration Centre offering ICT courses and facilities in town.
7. HBA has a tremendous **opportunity to recruit new members**, certainly if it provides the services identified by the respondents to the survey.
8. **Joint working** is an **opportunity** for businesses in Huntly to reduce costs and increase service and sales. The database of businesses in Huntly and District gathered during the survey will prove valuable to HBA and ATP in this respect and in terms of other future work with local businesses e.g. the projects recommended below and in the construction of a Huntly Business Website.
9. The high response rate to the questionnaire from farmers demonstrates that the **agricultural sector remains important to the economy of Huntly**. Helping this sector diversify where required will help the whole economy of the area.
10. As only 10 businesses (9% of respondents) are already members of the HBA there is a **tremendous opportunity for HBA to grow** if it provides services local businesses want. Such growth is essential if HBA is to act as the catalyst and channel for assistance that is available to Huntly businesses.
11. The survey highlighted a **scepticism amongst local businesses**. Common phrases heard were “nothing will change”, “it is a waste of time” or “all talk and no action”. Such an attitude forms a direct challenge to HBA and ATP to prove the sceptics wrong. The next step – **delivering concrete improvements** on the ground - **is therefore very important**.



6. Recommendations

1. With quality of life being viewed as increasingly important, **Huntly enjoys strong positive features** that should be used by all agencies and HBA in promoting the area as a business location. **Working across the sectors** to take advantage of the sports, arts, leisure and cultural facilities in the town offers opportunities for Huntly businesses, the HBA and ATP.
2. **Bureaucracy, taxation and cash flow** issues faced by local businesses should be addressed through a **series of meetings/workshops/one-to-one sessions** organised by HBA. HBA and ATP cannot remove the requirement to fill in forms or pay taxes but they can provide **signposting** for businesses and help identify sources of advice, either for businesses collectively on generic issues or for individual businesses with specific requirements.

3. HBA and ATP should organise an **open meeting on transport issues** faced by businesses in Huntly and district. This meeting should clarify the nature of the issues faced, how businesses think these can best be resolved and form a sub-group to establish projects to tackle the challenges.
4. Continued moral and financial **support for the Huntly and District Tourism Action Group (HADTAG)**: HBA and ATP should help HADTAG develop projects to improve the Huntly visitor experience and increase visitor numbers.
5. HBA and ATP, whilst not in a position to deliver training to individual businesses, can **organise suitable training** with training providers. Businesses completing the survey identified marketing, business improvement, customer care, product and service development and staff recruitment and retention as areas in which they would like training.
6. Huntly traders should investigate opportunities to benefit from collaborative working to improve the attraction of their products and services e.g. setting up a joint **loyalty scheme** to reward their customers. This could be on similar lines to the award-winning scheme established recently in Haslemere, near London. HBA and ATP should facilitate the establishment of such collaborative working.
7. HBA, ATP and other support agencies should establish a project to encourage and assist more Huntly businesses to make more use of the **Internet, ICT and e-commerce**. This should offer grants to interested businesses to allow them to purchase expertise to help them develop a website for their business. These grants should be linked to ICT/e-commerce training provided in Huntly.
8. Given the high response from the local **agricultural sector** HBA and ATP should **increase their co-operation** with representative bodies in this sector e.g. farmer discussion groups and the National Farmers Union.
9. HBA should **identify all new businesses** starting up in the area and **encourage them to join the HBA**. To assist in this task HBA should liaise with Business Gateway, Enterprise North East Trust and other agencies and ask them to recommend new businesses to consider joining HBA.
10. HBA should run a number of different types of **formal and informal networking events** to demonstrate the value of meeting with other local business people. The emphasis of in the first instance should be on events with invited speakers. The answers to question 23 should help HBA **identify relevant topics** for the meetings e.g. marketing Huntly or security/crime issues.



Further information

For further information and the full results of the Huntly Business Needs Survey contact:

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