

# **Npower reveals economic uncertainty means SMEs have difficulty planning for the future**

Submitted by: pr-sending-enterprises

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According to new research commissioned by energy supplier npower, the majority (57%) of the UK's small and medium-sized businesses are only planning between six and 12 months ahead. Most of this is due to the uncertain economic climate and income holding them back from making future plans.

Despite this, 55% of small to medium-sized enterprises (SMEs) wish they could plan further in advance, recognising the benefits of longer-term business planning.

When asked about how they manage their energy use, nearly 60% (56%) of SMEs said they take a planned approach to their businesses' energy consumption. However, a quarter (25%) of businesses still do not implement any form of energy efficiency measures, which means they could be missing out on opportunities to plan and save.

More than 500 SMEs across the UK were questioned in the research commissioned by npower (<http://www.npower.com/home/index.htm>), carried out in December 2012, which looked at attitudes to business and energy planning.

For a significant percentage of SMEs (42%), the day-to-day running of a business is preventing long-term plans being made, stating that more time and resources would help make planning easier. However, 60% of small companies say being able to fix prices, such as their energy supply and other overheads would also help them to plan further ahead.

Phil Scholes, SME markets director at npower, commented: "We commissioned this research to better understand the challenges SMEs are facing when it comes to planning for their businesses' future.

"It is encouraging to see many SMEs wish they could plan further ahead. While the stability of the economy, which many SMEs cite as a key barrier to forward planning, is not something businesses can control, there are some steps they can take to help. For example, businesses may look to fix the cost of overheads where they can, such as choosing a fixed energy tariff, to help provide the certainty and confidence to plan ahead."

While the research highlights many SMEs are not planning for the future, there are some which are taking steps to keep costs in check, making planning for the long-term success of the business easier. Nearly half (41%) of SMEs questioned see energy efficiency as a key business priority, while a significant number (43%) have examined the energy marketplace and switched energy suppliers at least twice.

Phil Scholes continued: "The energy picture formed by the SMEs' responses demonstrates that, while some companies have embraced a strategy to minimise energy cost risk, as well as undertaking measures to reduce energy consumption levels and cost, many others are still not taking advantage of the solutions on offer. Addressing energy costs by switching suppliers, fixing price and embracing energy efficiency, will improve the bottom line and help small businesses plan confidently for the future."

To help SMEs plan and manage their energy costs, npower has launched its 'Fixed 1 2 3' energy tariff. It delivers unit cost stability and protects from energy unit price rises for up to three years, so it can help SMEs to plan\*.

For more information on Fixed 1 2 3, please visit [www.npower.com/Fixed123](http://www.npower.com/Fixed123)

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Notes to Editors:

\*The prices will be fixed for a 1, 2, or 3 year contract period agreed with the customer and will remain fixed for the period unless information used to price the contract was incorrect or there are any legal, regulatory or third party changes or increases that occur.

About npower:

npower is one of the top energy suppliers to the UK business market, serving over 238,000 small to medium sized enterprise sites and around 17,000 industrial and commercial customers, with over 100,000 sites. npower is dedicated to helping UK businesses use energy more efficiently and therefore spend less money on their bills.

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