

£1.68 Billion Small Business Savings in Next 12 Months

Submitted by: Kaizo (London)

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Consumer Spending Review Sparks 'Business Saving Review'

15 November 2010 – Research launched today shows that small businesses are set to save a staggering £1.68 billion in the next 12 months by doing nothing more than replicating the consumer 'money saving' strategy of switching suppliers to obtain the best deal. The survey of 502 UK companies with less than 10 employees* was conducted by Make It Cheaper (<http://Make It Cheaper>), the business price comparison service, following the Government's Spending Review to identify its real impact on UK small business.

The survey shows that although 83% claim to have always been aware of the fact that they could switch for example electricity suppliers, over half (54%) hadn't done so in the last three years. However following the government's spending cuts and the expected impact it will have on their business, 45% now describe themselves as very or quite likely to switch in the next 12 months. This has risen an incredible 29% from 16% who either switched or considered switching in the 12 months prior.

And it isn't just energy these businesses are looking to switch. The research shows how much small businesses are looking to save in every aspect of their business. In the next 12 months 54% are looking to change mobile telecoms suppliers, 53% broadband, 45% fixed line telecoms, 44% stationary, 43% banking, 23% accountant and 15% insurance.

Richard Coltart, owner of The Manor Arms

(<http://www.makeitcheaper.com/about-us/case-studies/manor-arms.aspx>) pub in Streatham, South London, comments; "It's common sense for any business to do their homework these days and find a better deal. We're in the process of reviewing all our overheads and our biggest saving will be £10,000 off next year's electricity bill. We'd have to take £60,000 over the bar to make that kind of money in profit, so we're thrilled. Even if it seems that prices are going up, you can always get yours down by shopping around."

Mark Perry, finance director of Phoenix Hair & Body

(<http://www.makeitcheaper.com/about-us/case-studies/phoenix-hair-plus-body.aspx>) in Milton Keynes - who has saved over £4,000 by switching suppliers in the past 12 months - added; "All of the savings we've made have been surprising and worthwhile, proving the value of shopping around!"

The massive £1.68 billion saving comes from a combination of savings that the UK's army of one million small businesses (less than 10 employees, excluding 'one-man bands'**) are poised to make across a range of business services:

Mobile Telecoms

- Average spend: £1,780 per year
- Potential saving: £997
- Planning to switch: 56%

- UK saving in 2011: £558 million

Electricity

- Average spend: £2,785 per year
- Potential saving: £851
- Planning to switch: 45%
- UK saving in 2011: £382 million

Banking

- Average spend: £820 per year
- Potential saving: £585
- Planning to switch: 44%
- UK saving in 2011: £257 million

Broadband

- Average spend: £480 per year
- Potential saving: £366
- Planning to switch: 55%
- UK saving in 2011: £201 million

Accountancy

- Average spend: £2,000 per year
- Potential saving: £509
- Planning to switch: 24%
- UK saving in 2011: £122 million

Stationery

- Average spend: £870 per year
- Potential saving: £178
- Planning to switch: 44%
- UK saving in 2011: £78 million

Fixed line telecoms

- Average spend: £340 per year
- Potential saving £102
- Planning to switch: 44%
- UK saving in 2011: £49 million

HR/Payroll

- Average spend: £2,000 per year
- Potential saving: £407
- Planning to switch: 5%
- UK saving in 2011: £20 million

Insurance

- Average spend: £400 per year
- Potential saving: £102
- Planning to switch: 13%
- UK saving in 2011: £13 million

Jonathan Elliott, managing director, Make It Cheaper commented: "Finally small businesses are waking up to the fact they have the right to a better deal from suppliers in everything from banking to energy. Thanks to a challenging economic environment everyone's looking inwardly at how they run their business, what they are paying, who's supplying them and what they can get for less. This is big news for suppliers and they better get ready to start negotiating!"

For further information on the methodology, case studies and charts illustrating the research, visit:
<http://www.kaizo.net/releases/makeitcheaper168billionsavings/>

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About Make It Cheaper

Established in 2007 and based in Central London, Make It Cheaper <http://www.makeitcheaper.com> receives more utility price comparison enquiries (2,000 a week) and arranges more new contracts (1,000 a week) than any other business-only price comparison service. These enquiries include those from the business customers of most of the major domestic price comparison services as well as business membership organisations, charities and trade associations. Acting on behalf of these customers with total impartiality and without charge, Make It Cheaper offers cost savings across a range of products including business electricity, business gas, insurance and telecoms. The prices it offers are often better than could be found by going direct to suppliers because of the volume of deals its negotiates.

Make It Cheaper has recently been nominated for SME of the Year at the National Business Awards, Young Company of the Year at the Growing Business Awards and B2B Customer Service Team at the National Customer Service Awards.

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Notes to Editors:

* The survey was conducted by Onehundredpercentcotton in October 2010 following the Government's Spending Review and asked 502 UK small businesses about their plans for saving money from switching suppliers across a broad range of business services.

** There are 1,019,605 businesses with less than 10 employees (not including 'one man bands') according to <http://stats.berr.gov.uk/ed/sme/>