



## **Small Business Research Board Transportation Industry Study: Costs for Energy / Fuel Outpace Health Care Costs, General Economy as Leading Concerns**

*Report also indicates one-third of small transportation companies are considering expansion during the next 12 to 24 months. Owners will increase hiring, improve existing automation, expand at current locations says report issued in conjunction with International Profit Associates.*

Northfield, IL, July 20, 2007 --(PR.com)-- The cost of energy and fuel was by far the greatest leading concern of small transportation businesses during the second quarter of 2007 according to the latest Small Business Research Board (SBRB) study released here today.

Owners of transportation businesses responding to the nationwide poll co-sponsored by International Profit Associates (IPA) said health care costs, the general state of the economy, cost of materials and finding quality employees were included among the top five concerns.

IPA, with more than 1,800 professionals, is the largest privately-held provider of management consulting services to small and medium-size businesses in North America. IPA is based in Buffalo Grove, IL.

The costs for energy and fuel were cited by 50% of the respondents as the top concern during the second quarter. The next closest concern, health care costs, was cited by 8.5% of the respondents as the single most significant concern.

The quarterly poll of small business owners and managers also measured their interest in expanding their operations over the next 12 to 24 months. A full one-third (33%) of the respondents said they intend to expand during this period. Of those respondents, 33% said they would expand at current locations and 21% said they would add locations. About 17% of the business owners said that customer service enhancements would be part of expansion programs.

The small business owners said improvements to existing automation and improvements in staff training would be the two leading methods for increasing productivity during the next 12 to 24 months. Adding automation or technology, adding staff and implementing or enhancing employee incentive programs ranked third through fifth.

“It is no surprise that the gyrating energy and fuel costs are the leading concern of the transportation companies. It appears that the uncertainty of future movements in energy and fuel prices is compelling the transportation companies to invest more in improving upon current operations and systems rather than investing in new assets,” said Gregg M. Steinberg, President of IPA.

The SBRB Transportation Industry study also indicated that 47% of the respondents believe the economy will improve during the next 12 months and that nearly 56% believe their revenues will increase during the same period. Transportation companies intend to increase hiring. The survey results showed that nearly 49% will add employees with almost 28% maintaining current staff levels.



The Small Business Research Board ascertains and reports the opinions of small business owners and managers on a wide variety of topics related to their own businesses as well as national and international issues that may impact their operations. The SBRB conducts these studies for the benefit of small business owners and managers. The SBRB also provides opportunities for third parties to gain real time insight into the attitudes of small businesses nationwide through the independently conducted research.

The latest information about the Small Business Research Board can be found at [www.ipasbrb.com](http://www.ipasbrb.com).

International Profit Associates, Inc. (IPA) is the largest privately-held provider of management consulting services to small and medium-size businesses in North America. IPA and its more than 1,800 professionals offer a wide range of proven and innovative methodologies to help businesses grow and prosper regardless of the economic cycle. IPA either provides directly or through its affiliated companies a comprehensive array of business advisory services, tax and estate planning services or merger, acquisition and other financial advisory services in the United States and Canada. More information about IPA can be found at [www.ipa-iba.com](http://www.ipa-iba.com).

#### SBRB Comparisons:

All US Small Businesses vs. Transportation  
Second Quarter 2007

#### SBRB Leading Business Issues All US Small Businessess

1. Taxes
2. General economic conditions
3. Cost of energy / fuel
4. Other
5. Health care costs

#### SBRB Leading Business Issues Transportation Industry

1. Cost of energy / fuel
2. Health care costs
3. General economic conditions
4. Cost of materials (tied 4)  
Finding quality employees (tied 4)

#### SBRB Transportation Industry Q2 2007Opinions, Forecast

>>>Outlook for the general economy is for the next 12 months  
47% Better  
26% Worse



28% No Change

>>Revenue expectations for the next 12 months

32.5% Increase of 10% or more

23.3% Increase of less than 10%

28% Will be about the same

16.2% Decrease less than 10%

0% Decrease of 10% or more

>>Expectations for hiring new employees during next 12 months

48.9% Increase hiring

11.6% Decrease workforce

27.9% Remain the same

11.6% Unsure

>>Plan to expand your business during next 12 to 24 months

33% Yes

67% No

>>If planning expansion, will

33% Expand at current locations

21% Add locations

17% Enhance customer service capabilities

8.33% Provide more services

8.33% Add new products

8.33% Other

4% Acquisition

>> Can best improve productivity by:

1. Improvements to existing automated

2. Improved staff training

3. Adding more automation or technology

4. Adding more staff

5. Implementing or enhancing employee incentive programs

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For more information about this poll, results of previous studies or other matters related to the SBRB, please contact Raymond D. Minkus, (847) 441-4192.



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