

INTERNATIONAL PROFIT ASSOCIATES

SMALL BUSINESS RESEARCH BOARD (SBRB) STUDY

Taxes, Economy, Energy / Fuel Costs Now Leading Concerns of Food Industry Replacing Health Care, Government Regulation According to Latest SBRB Study

Report indicates 29% of small food industry businesses plan to expand during next 12 to 24 months including enhancements at current locations and providing more services. SBRB report prepared in conjunction with International Profit Associates also shows businesses intend to invest in staff training and hiring.

NORTHFIELD, IL (July 11, 2007) – The top three issues affecting the food industry directly mirrored those reported by all small business in the U.S. during the second quarter as taxes, general economic conditions and energy / fuel costs were cited as the most critical areas of concern during the second quarter of 2007 according to the latest Small Business Research Board (SBRB) study released here today.

Owners of small and medium-sized food industry firms responding to the nationwide poll co-sponsored by International Profit Associates (IPA) said health care costs and government regulation, which were tied as the leading areas of concern during the first quarter, fell to fourth and fifth during the current period.

Taxes, general economic conditions and energy / fuel costs also were the top three most cited in the overall poll of all U.S. small businesses. Health care costs, also the number one issue the previous quarter, dropped to fifth during the second quarter.

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 quarterly poll of small business owners and managers also measured their interest in expanding their operations over the next 12 to 24 months. Only 29% said they intend to expand during this period. The owners said they first intend to expand at current locations as well as provide more services. Adding new products and enhancing customer service finished third and fourth. Growth via the addition of locations or through acquisition tied for fifth.

These projections were made during the same period in which the SBRB Food Industry Small Business Confidence Index (SBCI) reported an increase of more than 2 points from

the first quarter to 40.3. The higher food industry SBCI resulted entirely from plans for increased hiring over the next 12 months.

The study clearly indicates that the food industry owners intend to obtain greater efficiency from their human resources.

Improved staff training ranked first among the options for enhancing business efficiency during the second quarter. These same owners also said they would add staff (second) before improving current automated systems (third), enhancing employee incentive programs (fourth) and adding new automation and technology (fifth).

“Like other businesses, such as those in construction and contracting, the food industry must invest in training, especially in respect to their optimistic hiring plans for the next 12 months,” said Gregg M. Steinberg, President of IPA.

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.

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.

**SBRB COMPARISONS:
ALL US SMALL BUSINESSES vs. FOOD INDUSTRY
Second Quarter 2007**

	ALL US	Food Industry
<i>Leading Business Issues</i>	1. Taxes	Taxes
	2. Economic conditions	Economic conditions
	3. Energy/fuel costs	Energy/fuel costs
	4. Other	Health care costs
	5. Health care costs	Government regulation

SBRB Food Industry Q2 2007 Opinions, Forecast

Outlook for the general economy is for the next twelve months

- 30% Better
- 26% Worse
- 44% No Change

Revenue expectations for the next 12 months

- 30% Increase of 10% or more
- 20% Increase of less than 10%
- 44% Will be about the same
- 6% Decrease of less than 10%
- 0% Decrease of 10% or more

Expectations for hiring new employees during next 12 months

- 40% Increase hiring
- 17% Decrease workforce
- 35% Remain the same
- 8% Unsure

Plan to expand your business during next 12 to 24 months

- 29% Yes
- 71% No

If planning expansion, will

- 24% Expand at current locations
- 18.5% Provide more services
- 16.5% Add new products
- 15% Enhance customer service
- 13% Add locations
- 13% Acquisition

Can best improve productivity by:

1. Improved staff training
2. Adding more staff
3. Improvements to existing automation
4. Implementing or enhancing employee incentive programs
5. Adding more automation or technology

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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.