

AMERICA'S SMALL BUSINESSES SEE THE BRIGHT SIDE OF THE ECONOMIC DOWNTURN

Small business owners say they are more efficient, innovative and have stronger teams due to recession

Herndon, VA – August 5, 2009 – There is a silver lining to the continuing recession for the majority of small businesses, with two-thirds of owners reporting they are finding new ways to operate more efficiently. This finding is revealed in the latest Small Business Success Index™, an ongoing measurement of the overall health of U.S. small businesses sponsored by Network Solutions® (www.networksolutions.com) and the Center for Excellence in Service at the University of Maryland's Robert H. Smith School of Business (www.rhsmith.umd.edu). The index, based on a June 2009 telephone survey of 500 small business owners, also found that small businesses' mood has brightened compared to six months ago, with 38% of small business owners expecting the economy to improve in the next 12 months, compared to the 23% who felt this way in January. In June, only 28% of small business owners expected the economy to decline in the next 12 months, compared to nearly half (48%) just six months ago.

In addition to the 66% of small business owners saying they are now more efficient, the Small Business Success Index reported that 42% of owners say the recession has caused them to strengthen internal teams and the same percentage are more innovative and say they are providing new products and services to benefit customers.

"Small business owners can use the current economic downturn to make their companies more successful," said P.K. Kannan, director of the Center for Excellence in Service at the University of Maryland's Robert H. Smith School of Business. "Those taking actions to become more efficient in what they do and getting better at working in teams are also the ones who are externally focused on their customer base to introduce new products and services that benefit their customers. These will be the companies that thrive when the economy recovers."

"Like most of us as individuals reacting to the recession, small businesses have made significant adjustments to their finances," said Roy Dunbar, Chairman and CEO of Network Solutions, LLC. "In doing so, they are showing characteristic resilience and creativity. Even though many owners have suffered a reduction in income from their business, their passion and optimism remain high."

Small businesses included in the study were privately owned (not publicly traded), for-profit, had fewer than 100 employees and had a payroll and/or contributed to at least 50% of the owner's household income. The resulting Small Business Success Index identifies and measures the factors that lead to success. A small business can compare its company to its peers by taking the survey and receiving a quantitative analysis in return at www.growsmartbusiness.com.

Key Findings from the June 2009 Small Business Success Index:

- **Small businesses have become more optimistic about their future:**
 - In June, more small businesses expect the economy to improve than decline in the next 12 months, with 38% expecting improvement compared to 28% who expect decline
 - When asked the same question six months ago, only 23% expected improvement and 48% expected decline
- **Small businesses have experienced positive effects from the economic downturn:**
 - 66% say the economy has led them to find new ways to operate more efficiently
 - 42% believe the economy has caused their company to become a better team
 - 42% have found new products and services to benefit customers
 - 26% have reduced inefficient or unnecessary staff
- **Small businesses have also been hit with some negative effects of the recession:**
 - 30% of small business owners believe their access to capital is not sufficient

- 41% of small business owners have had to accept a lower standard of living
- 30% of small business owners report the recession has hurt employee morale
- 19% of small business owners say they have had to reduce valuable staff
- Some small businesses have cut employee benefits, with 15% reducing their retirement savings plans and 3% eliminating this benefit in the past 12 months
- Small business have also reported changes to health insurance benefits, with 19% increasing the benefit and 22% decreasing the benefit level in the past 12 months
 - Rising healthcare costs are a “major problem” for 48% of small businesses with employees

For more information about the Small Business Success Index and to download a summary report, please visit www.growsmartbusiness.com.

The index findings will be discussed at the GrowSmartBiz conference to be held at Washington, D.C. on September 29, 2009 (<http://growsmartbusiness.com/small-business-conference>).

###

About Network Solutions, LLC

As the leading provider of Web solutions for small business, Network Solutions offers a full range of services that include easy to build websites, hosting, web design, e-commerce software, search engine marketing, SSL certificates, e-mail services, and domain name registration. Network Solutions draws on 30 years of experience to make it simple and affordable for customers to build and manage an online presence through a one-stop Web solutions provider. www.about.networksolutions.com

About the Robert H. Smith School of Business

The Robert H. Smith School of Business is an internationally recognized leader in management education and research. One of 13 colleges and schools at the University of Maryland at College Park, the Smith School offers undergraduate, full-time and part-time MBA, executive MBA, MS in business, Ph.D. and executive education programs, as well as outreach services to the corporate community. The school offers its degree, custom and certification programs at locations in North America and Asia. www.rhsmith.umd.edu

About Rockbridge Associates Inc

Rockbridge Associates Inc. is a leading market research firm based in Great Falls, VA. Its clients include Fortune 500 companies, government agencies and associations. Rockbridge conducts primary research and consulting to help with product design, positioning, pricing, and customer satisfaction. www.rockresearch.com