



The  
Growth  
Company

# Growth Company Business Survey

Results for the 3<sup>rd</sup> February 2023 to 3<sup>rd</sup> March 2023

[www.growthco.uk](http://www.growthco.uk)

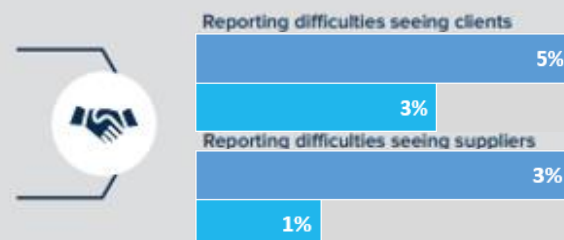
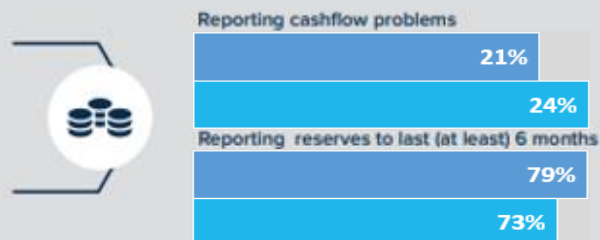
# GC Business Survey

## The main survey findings reported by businesses in February 2023

The Growth Company exists to enable growth, create jobs, and improve lives. To inform how we support businesses and the economy, we continually monitor a range of data and intelligence to understand the impact of Covid-19, and other economic risks and opportunities.

The largest regular monthly business survey of its kind, the following findings are based upon a total of **174 businesses** that participated in our GC Business Survey from **3<sup>rd</sup> February 2023 to 3<sup>rd</sup> March 2023**.

### The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

SURVEY SUMMARY

Business confidence continues to be strong in the face of difficult economic circumstances. However, the main risks of elevated costs, decreased sales, and cashflow issues remain. Cost risks have remained steady in the latest survey and is a major problem for well over a third of firms. Just under three-quarters of firms have reserves to last over 6 months, a slight decrease from the previous month. Cashflow problems are continuing to affect nearly a quarter of businesses as a serious risk, and the survey this month shows an increase in firms reporting late payments. The proportion reporting they need to increase domestic sales has increased, in particular for consumer facing sectors. The main business support needs are business planning, marketing, and workforce development. Finally, the proportion of firms in the survey recruiting from last month has increased, however, three-fifths of firms report workforce skill gaps, in particular within sales, digital and team leadership / team working alongside a range of specialist technical skills.

**The GC Business Confidence Index.** a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.2 out of 10, the same as the previous month.

**Sales and profits.** 26% (vs 22% previously) of firms reported that they experienced an increase in sales in the last month, and 68% expect profits to increase (vs 71%, and slightly higher than seen in Jan 2022). Just 3% (vs 3%) expect profits to decrease.

Main impacts from the current situation and financial resilience

- **Impacts.** The main three impacts facing firms are rising costs (37% vs 37% previously), decreased sales (24% vs 23%), and cashflow issues (24% vs 21%). The logistics sector and other service activities were most likely to report decreased sales.
- **Cash reserves.** 73% (vs 79%) of firms report that they have cash reserves to last over 6 months. 89% of SME’s with 10-249 employees have cash reserves to last over 6 months, and reserves were highest in construction (86%), BFPS (82%), and manufacturing (76%).
- **Cashflow.** 24% (vs 21%) of firms said they had cashflow problems. Micro-size firms (<10 employees) were over three times more likely to report cashflow issues this month compared to SMEs (50-249 FTEs).

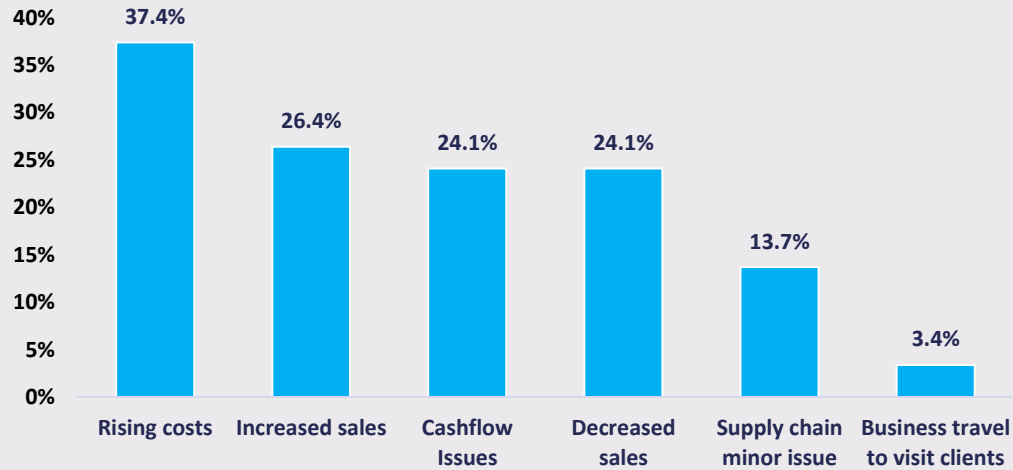
Employment and skills

- **Recruitment.** 25% (vs 23% previously) of firms are currently recruiting new staff, 16% (vs 14%) said they had difficulties recruiting. The main occupational groups recruiting are for are customer facing roles (46% vs 34%), managerial (8% vs 11%), and other roles not listed (13% vs 36%).
- **Workforce skill gaps.** 60% (vs 64%) of firms said that their workforce skills are only ‘partly’ at the level to meet business plan objectives. The main technical skill gaps identified are: specialist skills (38%), advanced specialist IT skills (15%), computer literacy/basic IT skills (9%), knowledge of products/services (7%), and complex problem resolution (11%). The main people and personal skill gaps identified are: sales (19%), managing /motivating staff (12%), and customer handling (11%).
- **Workforce development.** 55% (vs 55%) of firms said they are looking to increase investment in workforce development in the next 12 months, 43% (vs 42%) said they thought investment levels would remain the same, and 1% (vs 1%) were unsure.
- **Redundancy risk.** 1% (vs 3%) of firms said they were in the process of considering making redundancies.

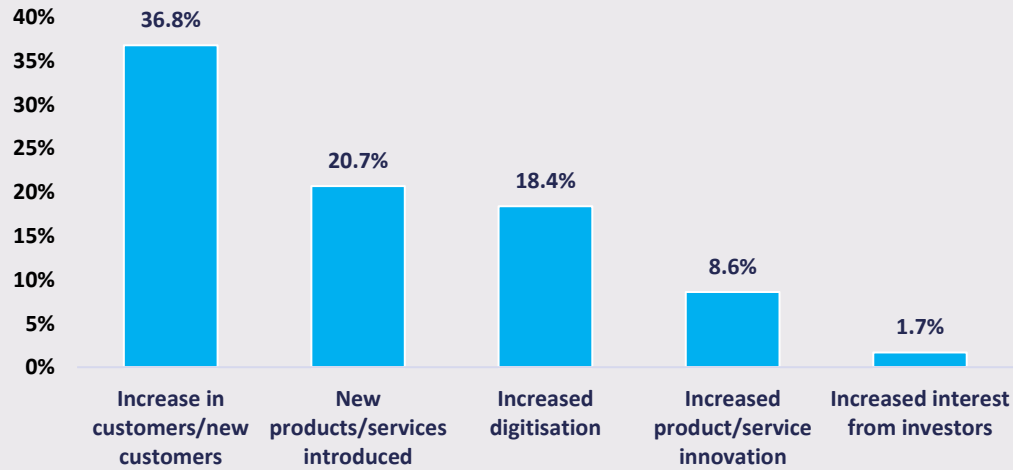
Other challenges and future support needs

- **The main current challenges:** Access to new domestic sales opportunities (59% vs 52%) previously and continuing to rise, highest impacts in construction and other personal services), developing the business model (49% vs 51%), managing overall business finances (43% vs 43%), developing new products/services (35% vs 38%), general workforce development & skills (35% vs 27%).
- **Future support needs.** Looking to the year ahead, the main areas identified are, business planning (39% vs 40%), marketing (41% vs 39%), workforce development (41% vs 37%), innovation (37% vs 32%) and digital transformation (26% vs 24%).
- **Environmental impact** 11% (vs 14%) are looking for extra support to manage their environmental impact

Main Impacts

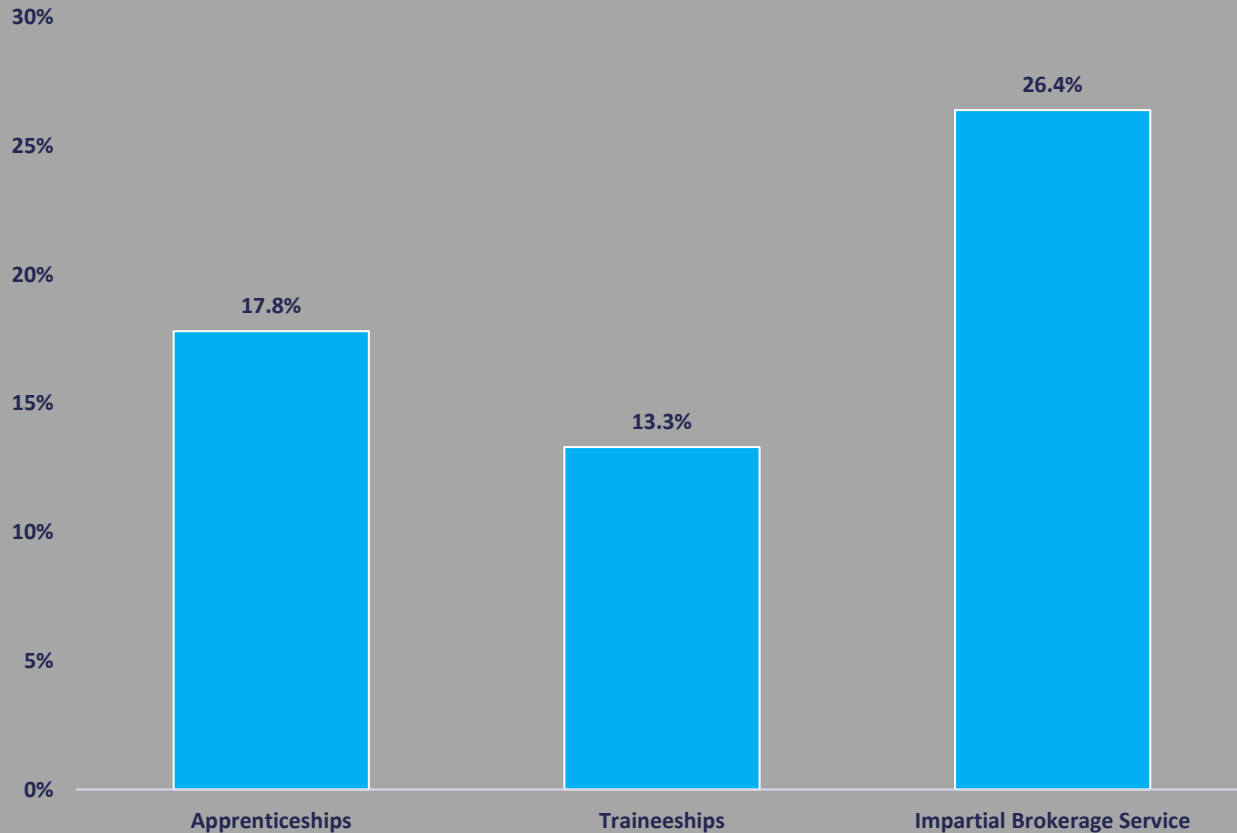


Positive Impacts

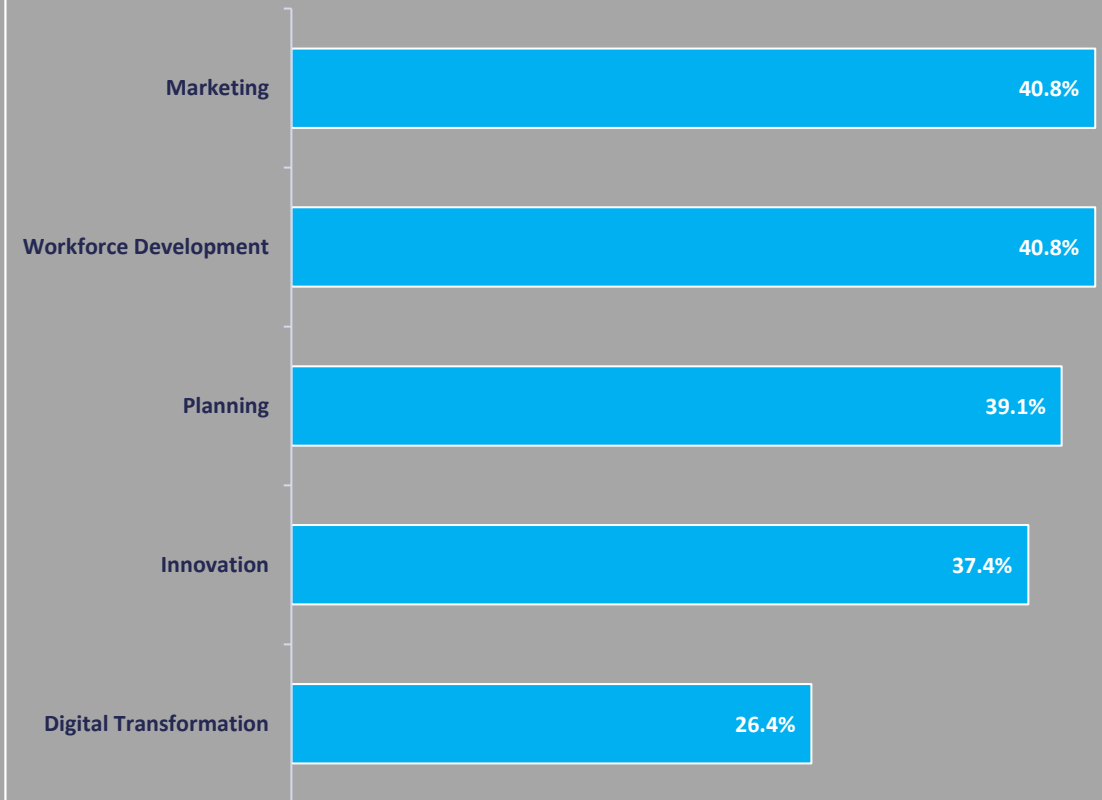


## Interest in business support and training

Percentage of respondents interested in the following initiatives



Top 5 areas for business support in the future



### Access support from the Growth Company

As a market leader in business and economy surveys, the Growth Company has engaged with firms throughout the pandemic and remains uniquely placed to provide invaluable intelligence on the challenges faced by business.

Our survey intelligence reports provide regular weekly input to central Government, as well as supporting a variety of local stakeholders in planning their response.

**For more information on the results presented here, or to take part in future surveys, please contact: [Sabirah.Chowdhury@growthco.uk](mailto:Sabirah.Chowdhury@growthco.uk)**

### Here are some of the ways we can support you:

- Advice and support on navigating Covid-19 business challenges: [www.businessgrowthhub.com/coronavirus](http://www.businessgrowthhub.com/coronavirus)
- Guidance and practical business support on EU Exit: [www.businessgrowthhub.com/eu-exit](http://www.businessgrowthhub.com/eu-exit)
- Help for training staff and finding new talent: <https://www.businessgrowthhub.com/services/support/people-skills-and-talent>