



The
Growth
Company

Growth Company Business Survey

Results for the 2nd April 2024 to 2nd July 2024

www.growthco.uk

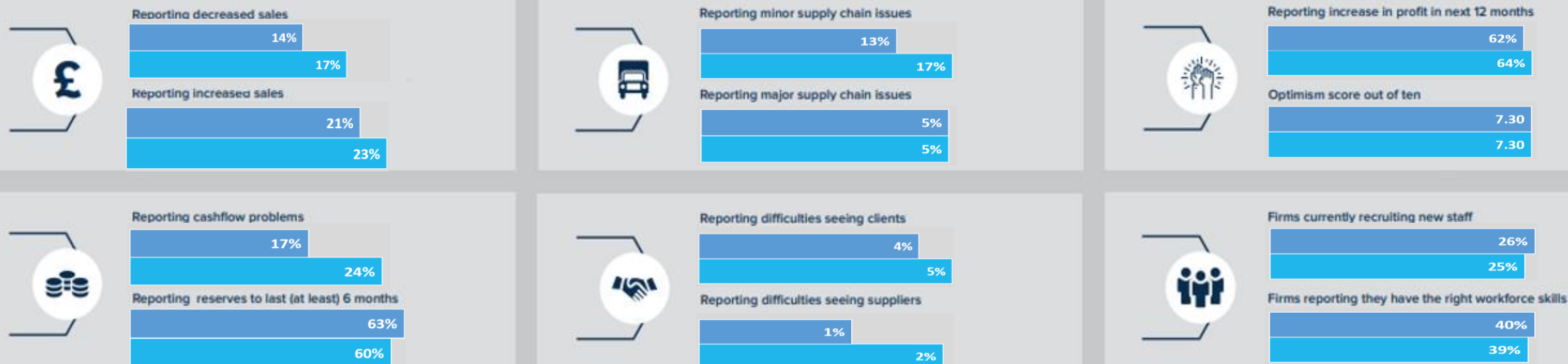
GC Business Survey

The main survey findings reported by businesses in 2nd April 2024 – 2nd July 2024

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 **679 businesses** that participated in our GC Business Survey from **2nd April 2024 and 2nd July 2024**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

SURVEY SUMMARY

The latest survey results shows Business Confidence Index (GC-BCI measures businesses' confidence in future growth prospects), currently at 7.3 out of 10. However, it's higher than average for Engineering and Construction. Sales saw an increase, with only 23% reporting increased sales, but 64% anticipate profit growth in the coming year.

Investment intentions are up, with 38% planning to increase capital expenditure, especially in Manufacturing, Digital, Green tech and Retail sectors. Workforce development is a priority, notably in Manufacturing, Healthcare, Business and Financial Services, Digital, and Services. Rising costs remain a major concern, along with cashflow issues, sales and supply chain disruptions. Despite challenges, many firms have sufficient cash reserves, particularly in BFPS, Manufacturing, Creative Digital Technologies and Retail.

Access to new domestic sales opportunities remains a top challenge, especially in Digital Technologies, Manufacturing, and BFPS. Looking ahead, businesses seek support in innovation, business planning, marketing, workforce development, financial advice, and environmental impact. Small firms face more challenges compared to larger ones, particularly in domestic sales, product development, business model adaptation, financial management, and digital adoption which remains same across the quarter.

GC Business Confidence Index (GC-BCI). A ranking of how confident businesses are on their growth prospects for the year ahead. This currently stands at 7.3 out of 10, same as previous quarter (7.3), indicating stable growth. GC-BCI is higher than average for all organisations within Engineering, Green tech, Banking & Insurance, Education; lowest in Hospitality & Tourism.

Sales and profits. 23% (vs 21% previously) of firms reported that they experienced an increase in sales in the latest quarter, and 64% expect profits to increase in the year ahead (vs 62%). Just 3% expect profits to decrease, slightly higher than last time. The main sectors expecting an increase in future sales were Manufacturing, Digital and Creative Technologies, Retail, and Business Services.

Main Impacts and Financial Resilience:

- Main economic impacts include rising costs affecting 40 % of firms, cashflow issues for 24%, and minor supply chain disruptions for 17%.
- Despite a slight decrease, 60% of firms maintain cash reserves lasting over 6 months, with higher reserves in firms from 0-9 and sectors like Creative digital and technology, Manufacturing and BFPS.

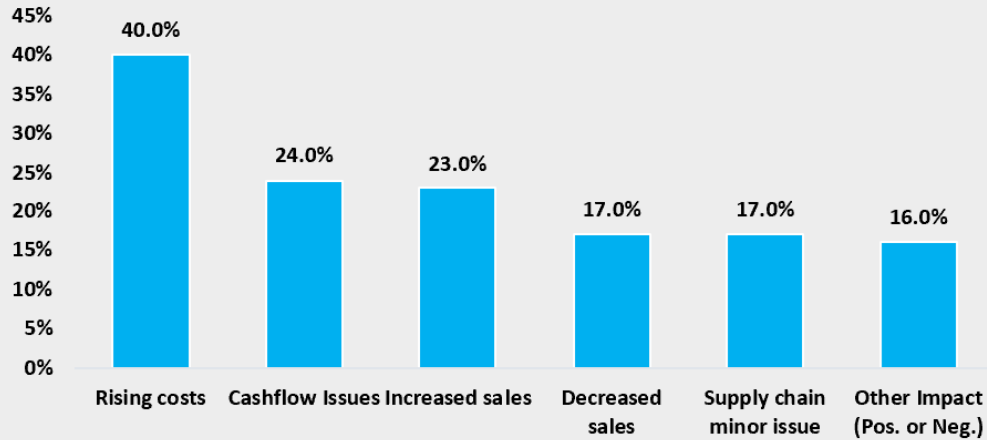
Business Challenges and Support Needs & Recruitment / skills issues

- Top future support needs reported Access to domestic markets and new sales opportunities (52%), innovation (36%), Business planning (34%) and Manging finances (30%)
- Workforce skill gaps persist, with 39% of firms stating existing skills meet objectives with mainly caused by specialist technical skills (29%) and knowledge of products / services at 12%.
- Innovation activity remains steady, with investment in improved services (37%), R&D (26%), improved goods (23%).
- Digital innovation 14% invested in acquisition of digital products of 6% (vs 6%) made investments in the acquisition of advanced machinery or equipment.

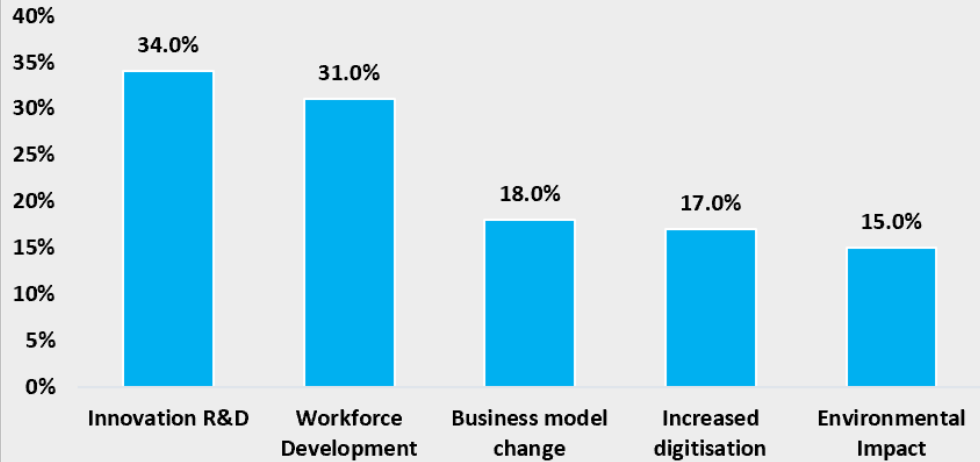
Recruitment, Employment, and Skills Issues

- 25% (vs 26% previously) of firms surveyed are currently recruiting new staff.
- Workforce skill gaps. 39% of firms said that their existing workforce skills are at the right level to meet business plan objectives for the year ahead.
- 46% firms said workforce skills are at partly level and 2% said not at the right level among those small SMEs (0-9) and (10- 49) had correct workforce skills at partly level.

Main Impacts

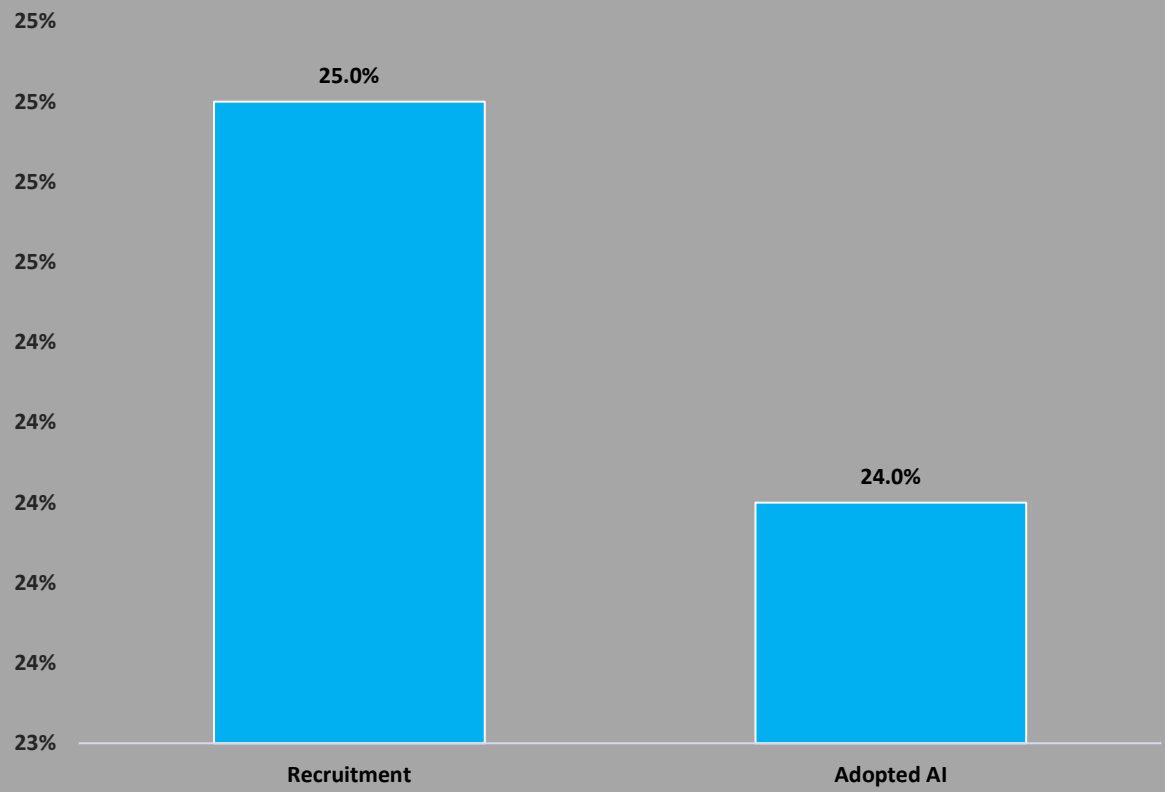


Positive Impacts

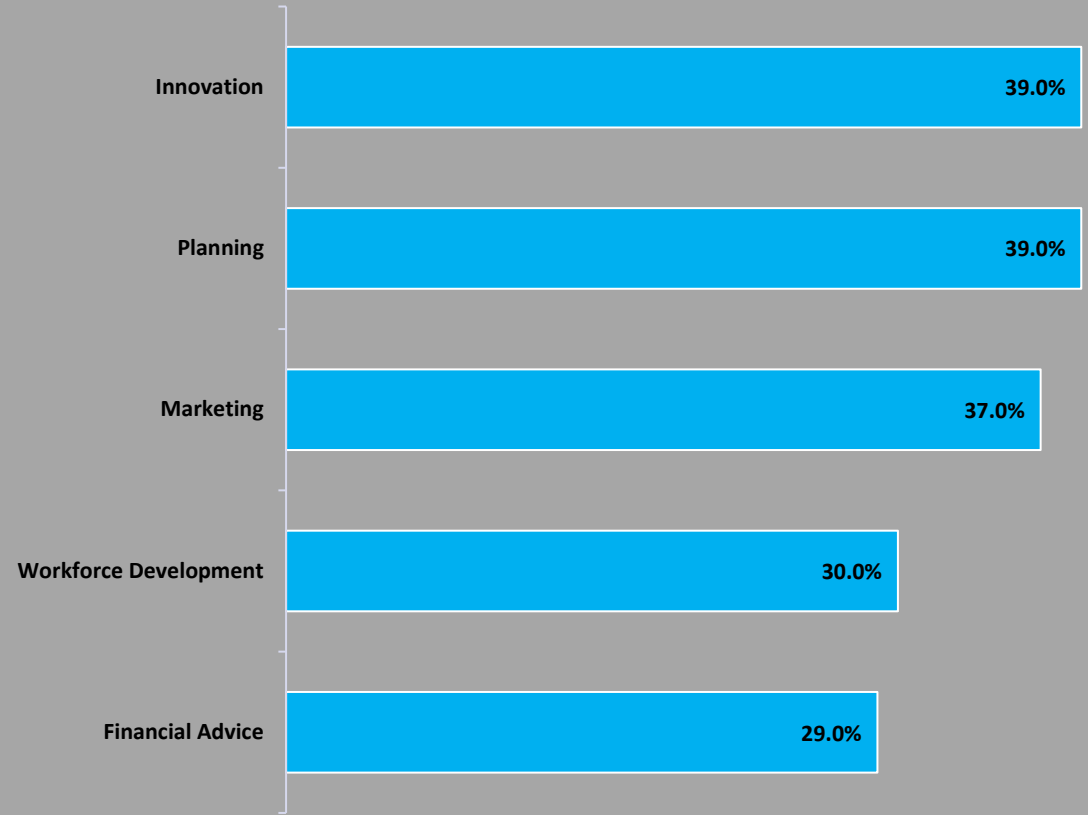


Interest in business support

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: [Jake.spire@growthco.uk](mailto:jake.spire@growthco.uk)

Here are some of the ways we can support you:

- Guidance and practical business support
<https://www.businessgrowthhub.com/support/services>
- Help for training staff and finding new talent:
<https://www.businessgrowthhub.com/support/services/people>
- Advice to reduce carbon, boost your competitiveness, and save money
<https://www.businessgrowthhub.com/support/services/sustainability>

