



The
Growth
Company

Growth Company Business Survey

Results for the 2nd March 2024 to 2nd June 2024

www.growthco.uk

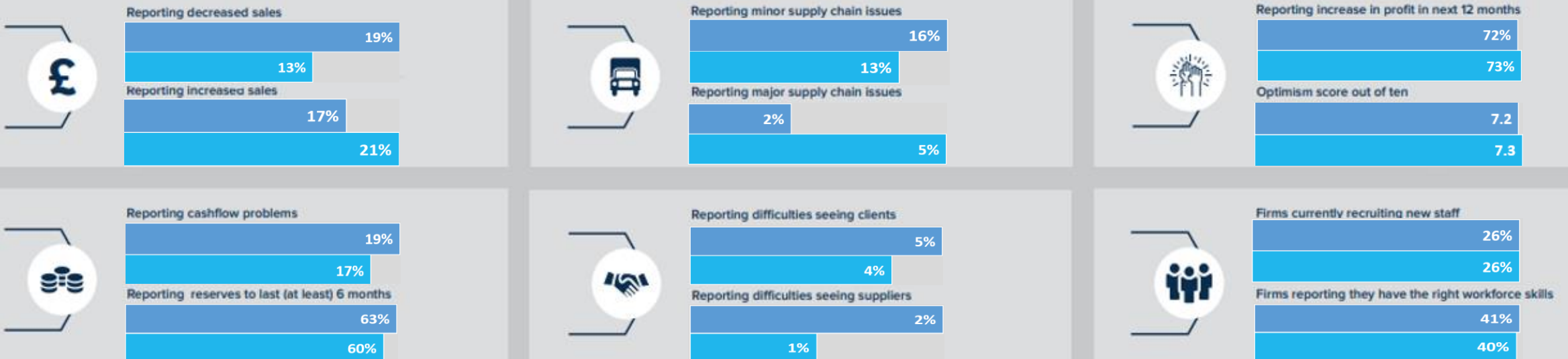
GC Business Survey

The main survey findings reported by businesses in 2nd March 2024 – 2nd June 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 **567 businesses** that participated in our GC Business Survey from **2nd March 2024 and 2nd June 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, slightly higher than the previous quarter, suggesting out of mini - recession. However, it's higher than average for Engineering and Construction. Sales saw a decrease, with only 21% reporting increased sales, but 72% anticipate profit growth in the coming year.

Investment intentions are up, with 37% planning to increase capital expenditure, especially in Manufacturing, Digital, Green tech and Retail sectors. Workforce development is a priority, notably in 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.

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.

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, more than the previous quarter (7.2), indicating increase in growth and out of recession. GC-BCI is higher than average for all organisations within Engineering, Green tech, Banking & Insurance, Education; lowest in Hospitality & Tourism.

Sales and profits. 21% (vs 17% previously) of firms reported that they experienced an increase in sales in the latest quarter, and 62% expect profits to increase in the year ahead (vs 61%). Just 2% 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 34% of firms, cashflow issues for 17%, and minor supply chain disruptions for 13%.
- Despite a slight decrease, 63% of firms maintain cash reserves lasting over 6 months, with higher reserves in larger firms and sectors like Materials and Manufacturing and Health innovation.

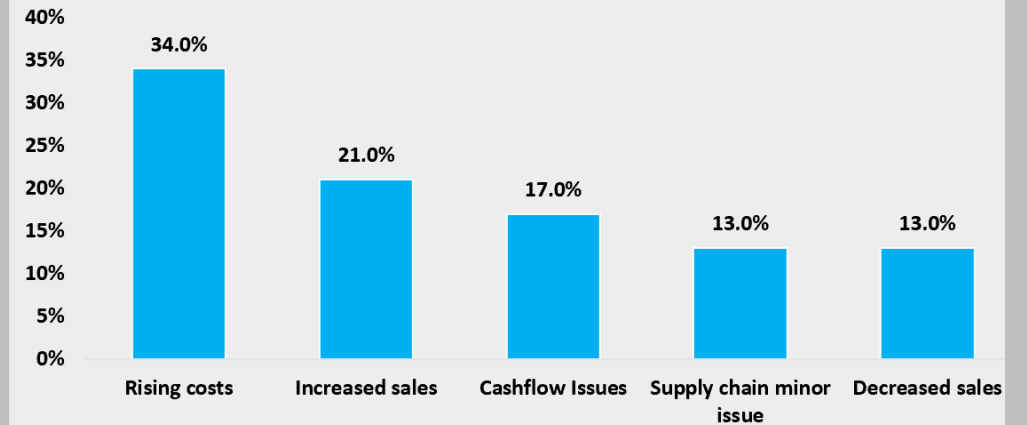
Business Challenges and Support Needs & Recruitment / skills issues

- Top future support needs reported include innovation (39%), business planning (37%), and sales/marketing (36%) and Workforce development (30%)
- Workforce skill gaps persist, with 40% of firms stating existing skills meet objectives with mainly caused by specialist technical skills (31%) and knowledge of products / services at 13%.
- Innovation activity remains steady, with investments in new/improved services (33%), invested in R&D (24%), improved goods (24%).
- Digital innovation 13% invested in acquisition of digital products of 6% (vs 7%) made investments in the acquisition of advanced machinery or equipment.

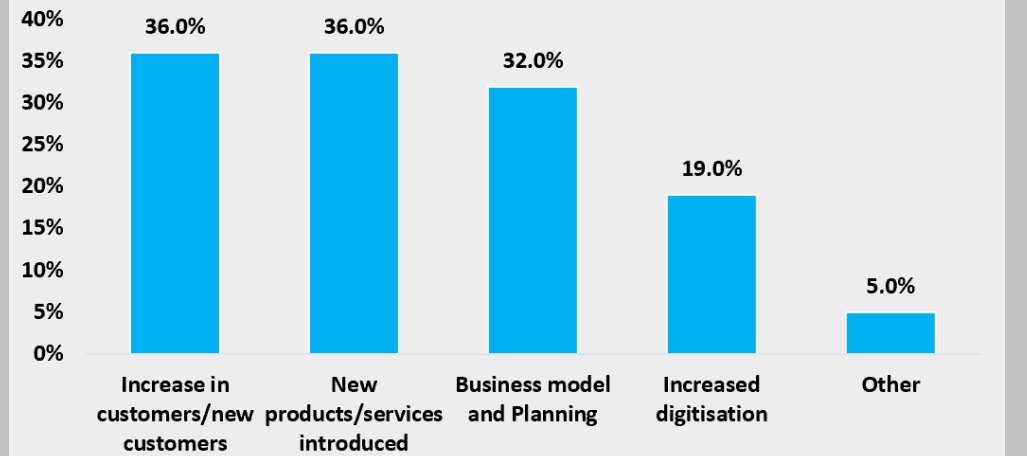
Recruitment, Employment, and Skills Issues

- 26% (vs 26% previously) of firms surveyed are currently recruiting new staff.
- Workforce skill gaps. 40% (vs 41%) of firms said that their existing workforce skills are at the right level to meet business plan objectives for the year ahead.
- 52% 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

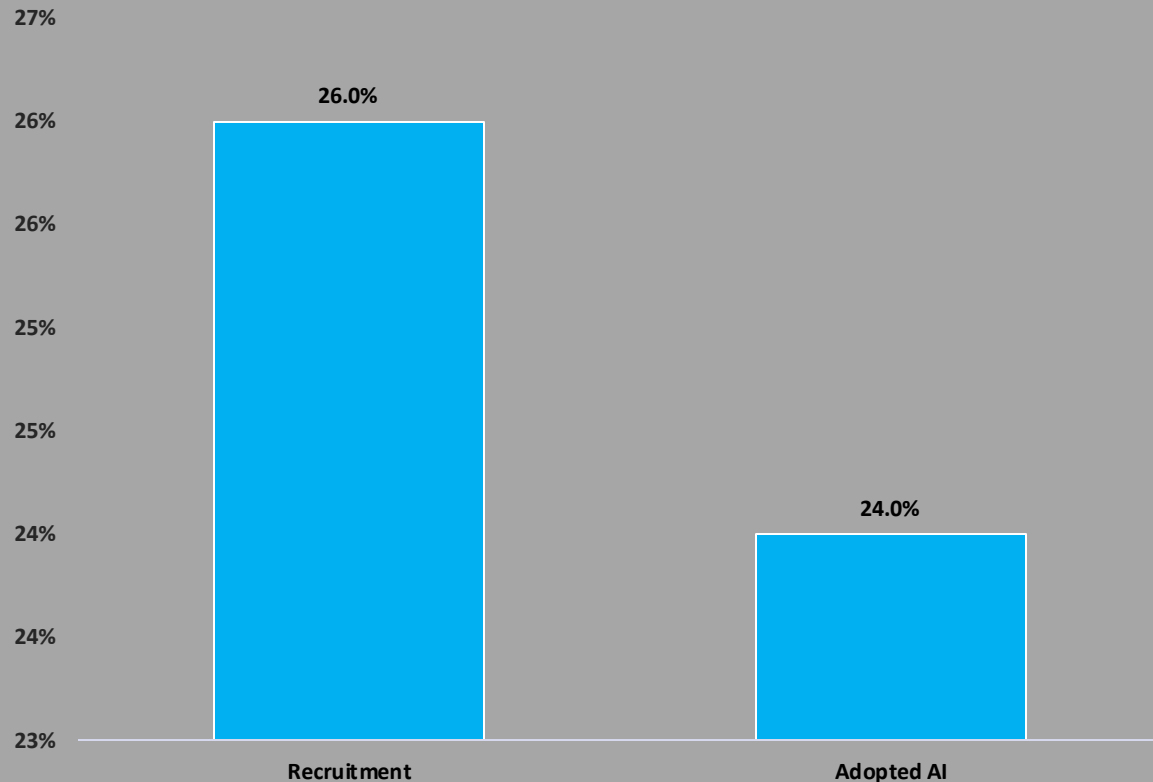


Positive Impacts

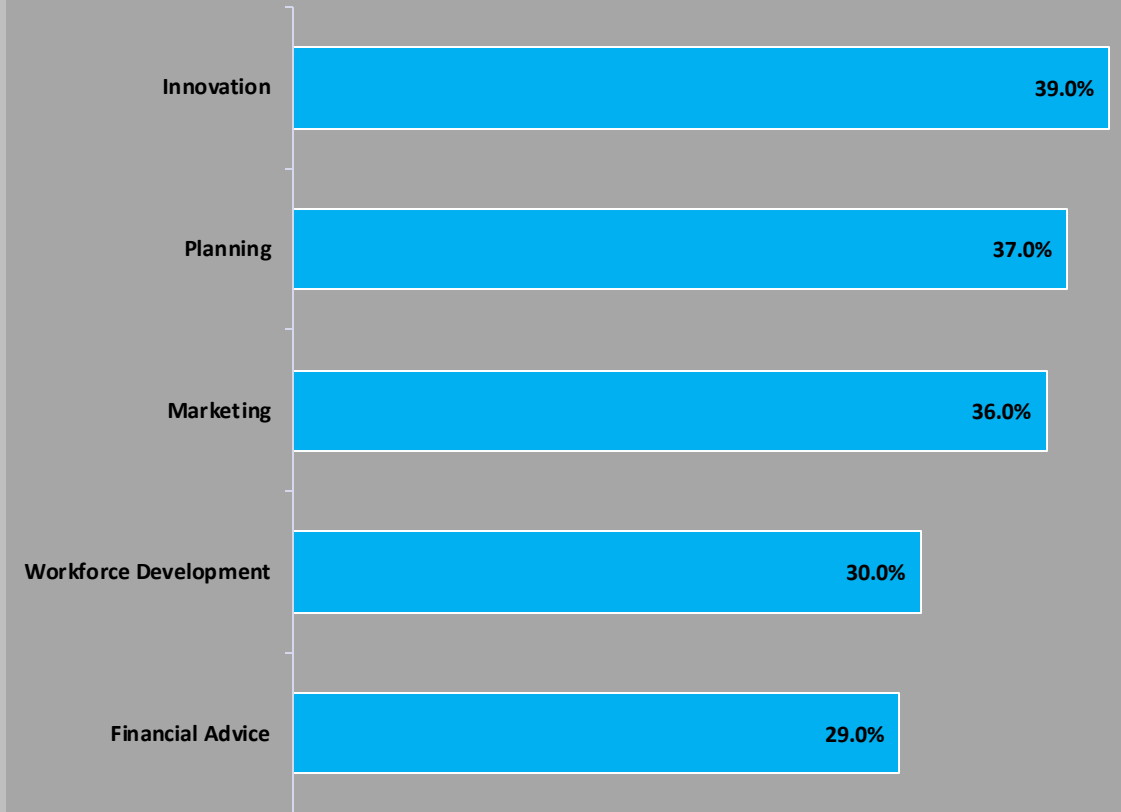


Interest in business support

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.spires@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>



The Growth Company