



The
Growth
Company

Growth Company Business Survey

Results for the 4th April 2023 to 3rd May 2023

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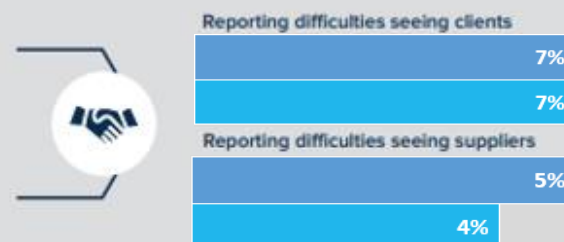
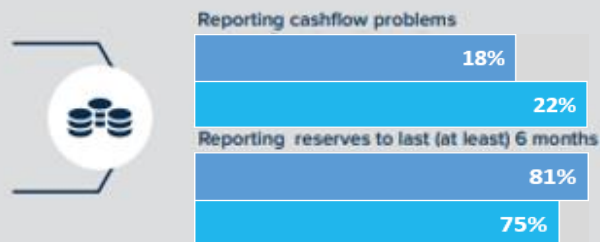
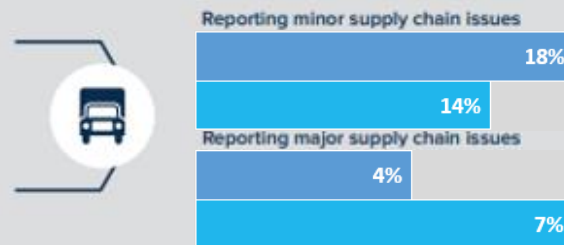
GC Business Survey

The main survey findings reported by businesses in April 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 **132 businesses** that participated in our GC Business Survey from **4th April 2023 to 3rd May 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 minor supply chain issues remain. Cost risks have increased slightly in the latest survey and remains a major problem for over a third of firms. Three-quarters of firms have reserves to last over 6 months, a slight decrease from the previous month. Whilst cashflow problems are continuing to affect under a fifth of businesses as a serious risk, the survey this month shows an increase in firms reporting late payments. The proportion that reported they still need to increase domestic sales has increased, in particular for consumer facing sectors. The main business support needs are business planning, marketing, and innovation. Finally, the proportion of firms in the survey recruiting from last month has decreased, however, just under three-fifths of firms still report workforce skill gaps, mainly linked to sales and marketing roles and specialist skills.

The GC Business Confidence Index. a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.3 out of 10, the same as the previous month; and broadly similar to the average for the last 3 months.

Sales and profits. 21% (vs 26% previously) of firms reported that they experienced an increase in sales in the last month, and 66% expect profits to increase (vs 68%), and slightly higher than the same time last year. Just 2% (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 (36% vs 34% previously), decreased sales (21% vs 25%), and supply chain- minor issues (14% vs 18%). The HTL sector and other support activities were most likely to report decreased sales.
- **Cash reserves.** 75% (vs 81%) of firms report that they have cash reserves to last over 6 months. 85% of SME’s with 50-249 employees have cash reserves to last over 6 months, and reserves were highest in retail and wholesale (87%), BFPS (83%), and manufacturing (74%).
- **Cashflow.** 22% (vs 18%) of firms said they had cashflow problems. Micro-size firms (<10 employees) were more likely to report cashflow issues this month compared to SMEs (10-249 FTEs).

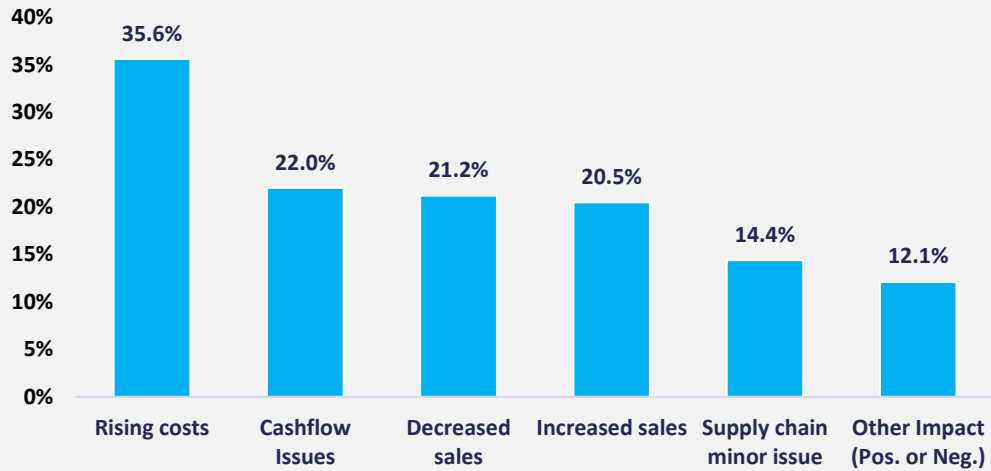
Employment and skills

- **Recruitment.** 19% (vs 21% previously) of firms are currently recruiting new staff, 15% (vs 12%) said they had difficulties recruiting. The main occupational groups recruiting are for are customer facing roles (35% vs 23%), managerial roles (12% vs 17%), and other roles (14% vs 44%).
- **Workforce skill gaps.** 56% (vs 59%) 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 technical skills (33%), advanced specialist IT skills (8%), computer literacy/basic IT skills (4%), knowledge of products/services (7%), and complex problem resolution (11%). The main people and personal skill gaps identified are: sales (15%), customer handling (12%), training people (9%) and team working (9%).
- **Workforce development.** 45% (vs 55%) of firms said they are looking to increase investment in workforce development in the next 12 months, 50% (vs 43%) said they thought investment levels would remain the same, and 2% (vs 2%) were unsure.
- **Redundancy risk.** 1% (vs 3%) of firms said they were in the process of considering making redundancies.

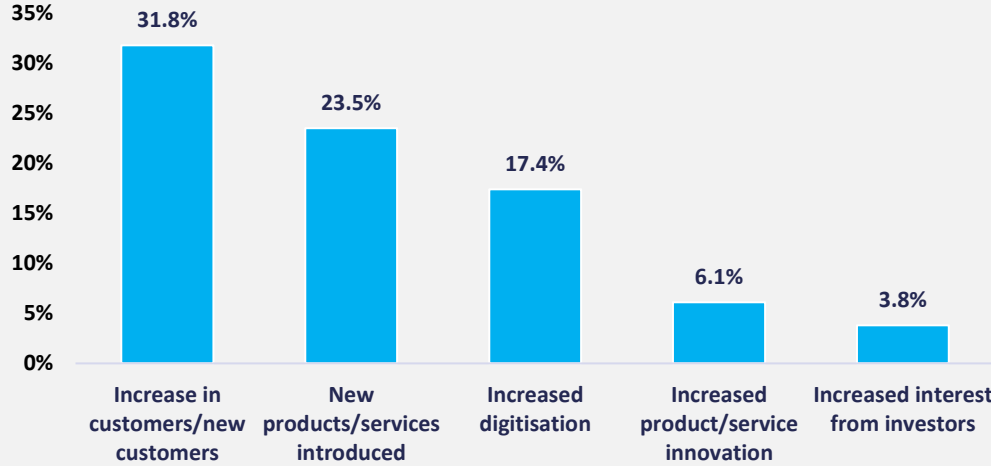
Other challenges and future support needs

- **The main current challenges:** Access to new domestic sales opportunities (61% vs 52%) previously and continuing to rise, (highest impacts in construction and retail and wholesale services), developing the business model (42% vs 46%), managing overall business finances (39% vs 39%), developing new products/services (34% vs 34%), general workforce development & skills (27% vs 33%).
- **Future support needs.** Looking to the year ahead, the main areas identified are business planning (45% vs 38%), marketing (41% vs 38%), innovation (34% vs 30%), workforce development (33% vs 43%), and financial advice (19% vs 25%).
- **Environmental impact.** 13% (vs 11%) are looking for extra support to manage their environmental impact.

Main Impacts

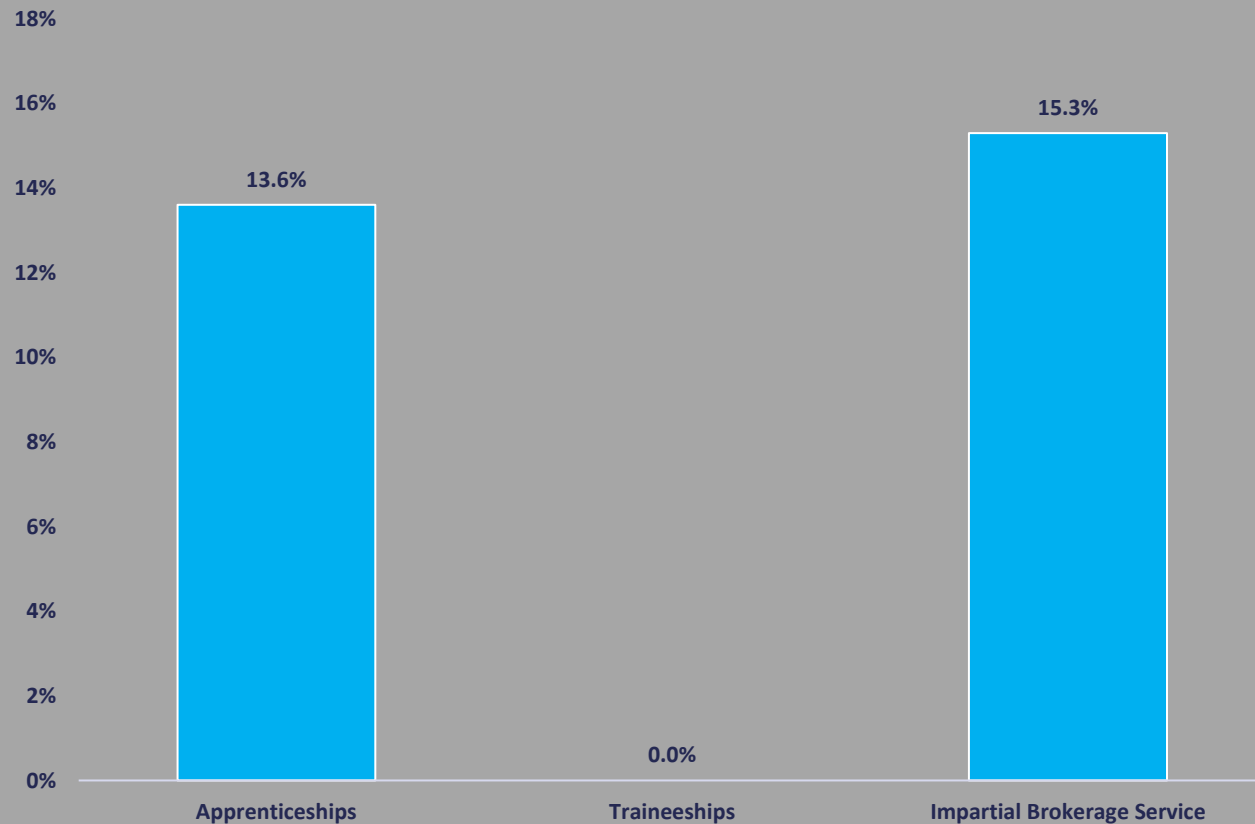


Positive Impacts

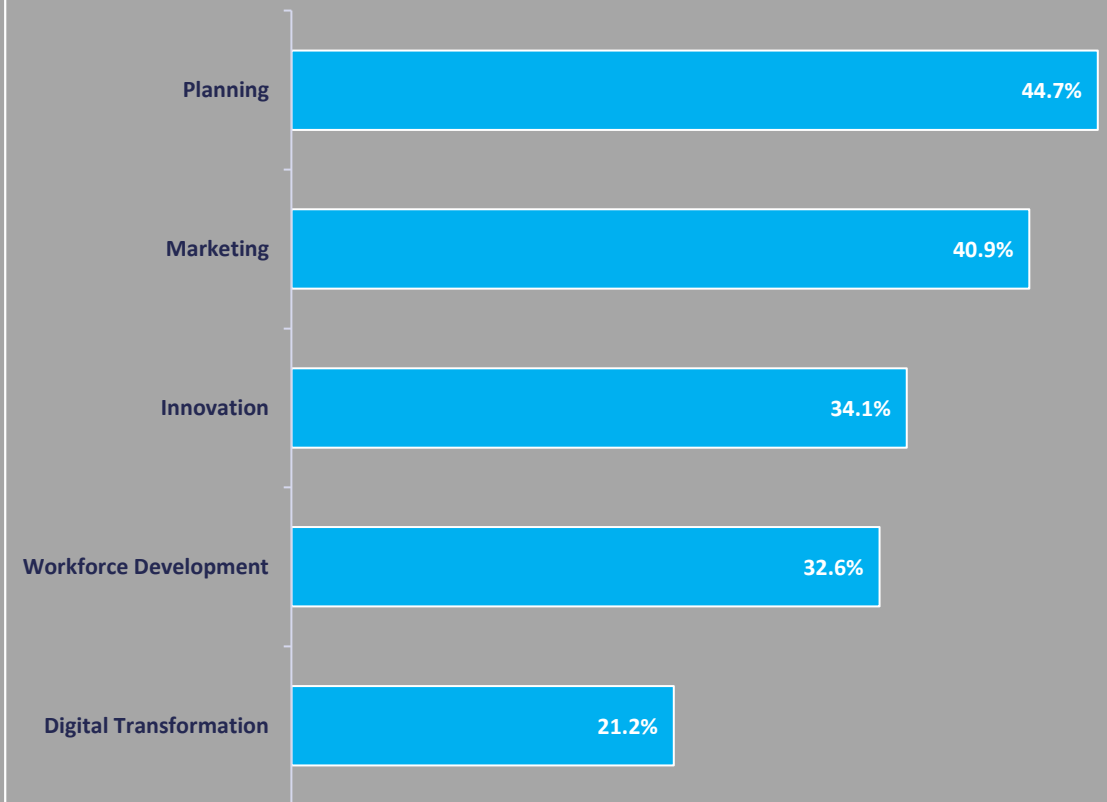


Interest in business support and training

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

Here are some of the ways we can support you:

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