



The  
Growth  
Company

# Growth Company Business Survey

Results for the 2<sup>nd</sup> October to 3<sup>rd</sup> November 2023

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

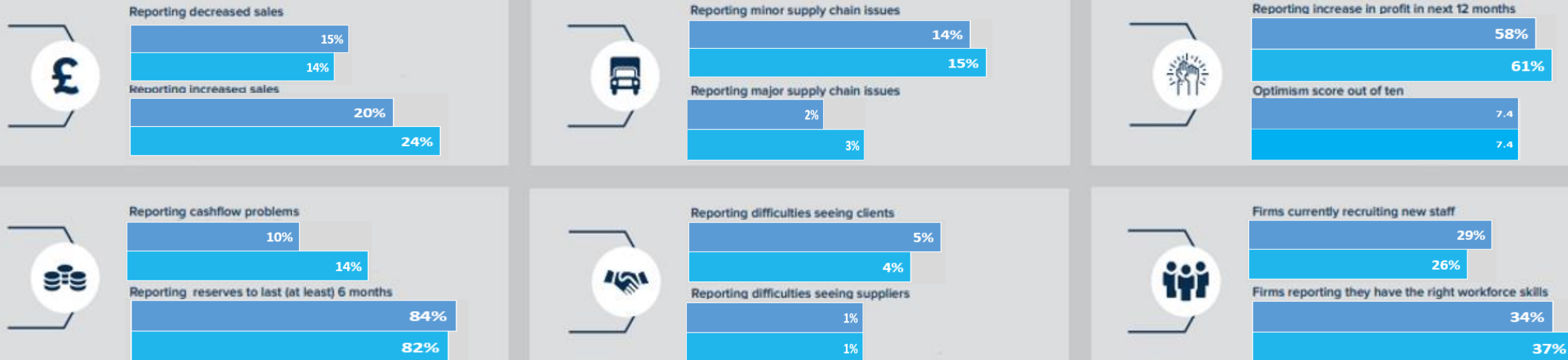
# GC Business Survey

## The main survey findings reported by businesses in October 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 **105 businesses** that participated in our GC Business Survey from **2<sup>nd</sup> October 2023** and **3<sup>rd</sup> November 2023**.

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



▶▶ Previous month

▶▶ Current Month

## SURVEY SUMMARY

The latest results show a slight fall in the proportion of firms expecting sales to increase in the year ahead. Whilst confidence remains strong in the face of difficult economic circumstances, the risks remain high rising costs, decreased sales, and supply chain issues remain. Cost risks have dropped downwards in this survey, a major problem for 33% of firms, up from 34% previously after a period of fairly static but elevated levels. There has been a slight fall in the proportion of firms stating they have reserves to last over 6 months, from 84% last month to 82% of survey respondents. This still remains one of the strongest positions in the last 2 years, however micro-size firms and those in leisure related industries are reporting the most risk. Cashflow problems remain, affecting 14% of businesses as a serious risk. A similar proportion of firms are recruiting as last month 23% (vs 29% previously), and 37% of firms report workforce skill gaps which have increased from last month.

**The GC Business Confidence Index.** a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.4 out of 10, similar as last month. However, business confidence varies between sector.

**Sales and profits.** 24% (vs 20% previously) of firms reported that they experienced an increase in sales in the last month, and 61% expect profits to increase (vs 58%). 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 (33% vs 34% previously), decreased sales (14% vs 15%), and minor supply chain issues (15% vs 14%). The education and retail and wholesale reported most likely decreased sales.
- **Cash reserves.** 82% (vs 84%) of firms report that they have cash reserves to last over 6 months. 90% of SME's with 50-249 employees have cash reserves to last over 6 months, with the majority in Manufacturing, Health social care and retail & wholesale.
- **Cashflow.** 14% (vs 10%) of firms said they had cashflow problems. Micro-size firms (<10 employees) were twice as more likely to report cashflow issues this month compared to SMEs (10-49 FTEs). By sector, hospitality, tourism, and retail wholesale were more likely to report cashflow problems than other sectors in the survey.

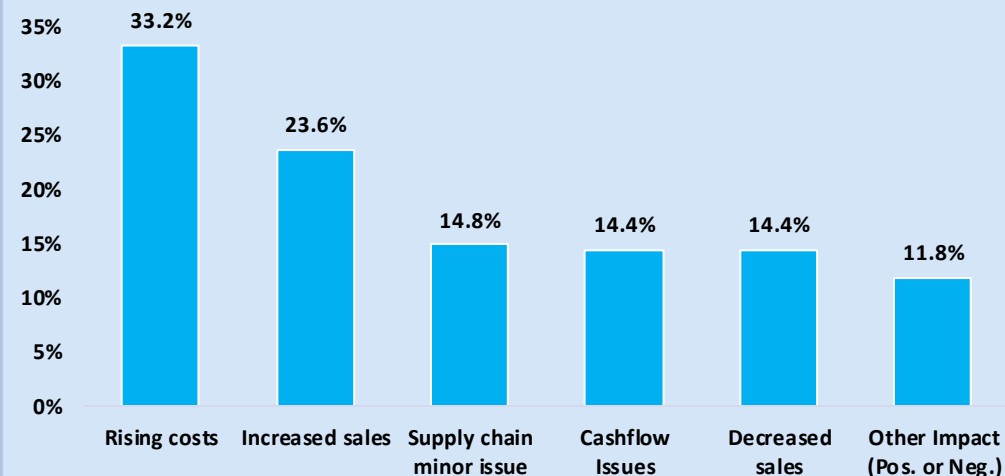
### Employment and skills

- **Recruitment.** 26% (vs 29% previously) of firms are currently recruiting new staff, and 17% (vs 18%) said they had difficulties recruiting. The main occupational groups recruiting are for customer facing roles (38% vs 40%), managerial (14% vs 16%), and others not listed (10% vs 10%).
- **Workforce skill gaps.** 50% (vs 52%) 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 (33%), specialist IT skills (6%), knowledge of products services (11%). The main people and personal skill gaps identified are: sales skills (16%), time management (12%), and motivating staff (11%).
- **Workforce development.** 38% (vs 42%) of firms said they are looking to increase investment in workforce development in the next 12 months, 55% (vs 50%) said they thought investment levels would remain the same, and 6% (vs 7%) were unsure.
- **Redundancy risk.** Just 1% (vs 2%) of firms said they were in the process of considering making redundancies

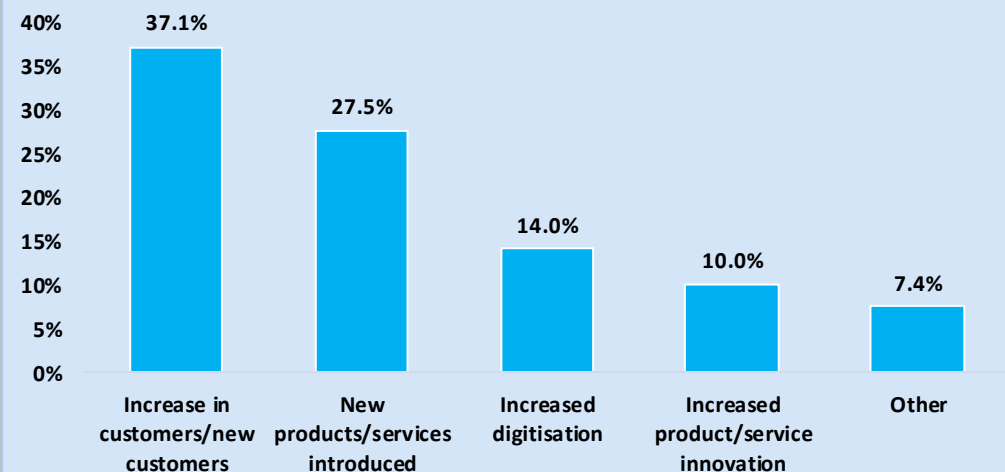
### Other challenges and future support needs

- **The main current challenges:** Main sources of innovation. The top 3 sources of innovation within firms were 40% said staff within their own business, 23% said clients / customers; and 8% said suppliers of equipment and/or services
- **Future support needs.** Looking to the year ahead, the main areas identified are workforce development (28% vs 44%), business planning (48% vs 71%), sales & marketing (38% vs 55%), innovation (30% vs 11%), and financial advice (25% vs 22%).
- **Environmental impact.** 35% (vs 66%) are looking for extra support to manage their environmental impact.

## Main Impacts

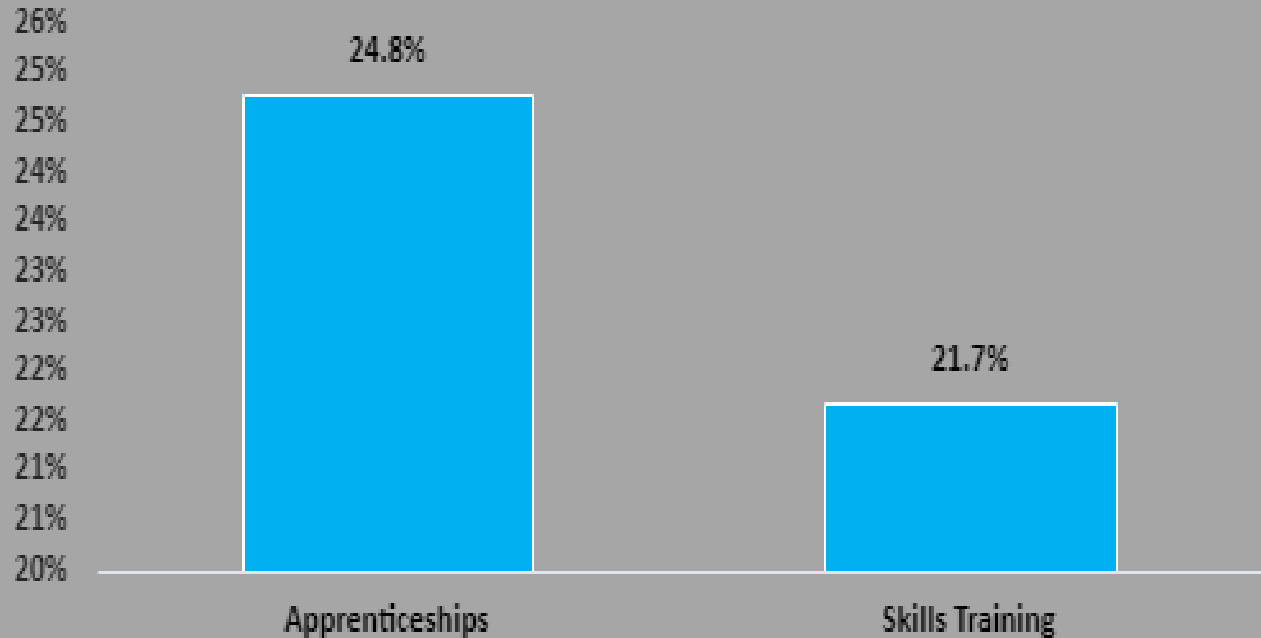


## Positive Impacts

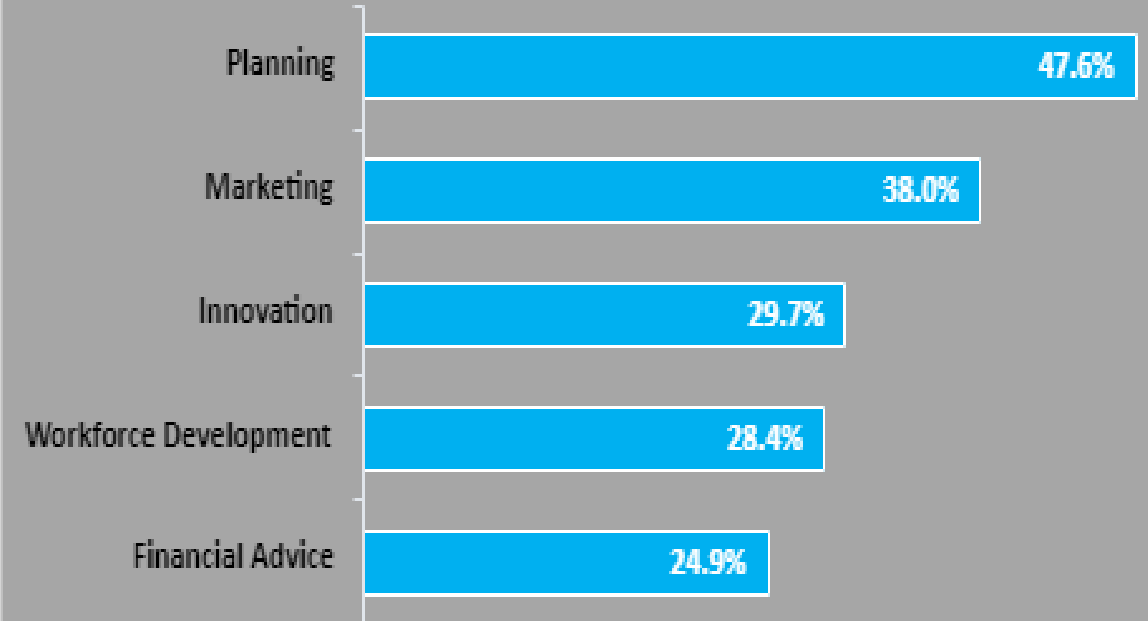


## Interest in business support and training

### 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: [Atharva.Joshi@growthco.uk](mailto:Atharva.Joshi@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>