



The
Growth
Company

Growth Company Business Survey

Results for the 7th August 2023 to 4th September 2023

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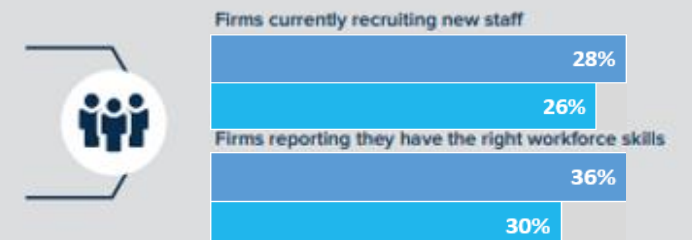
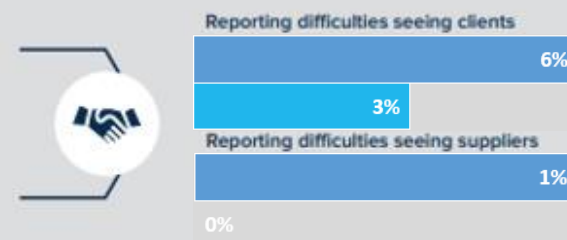
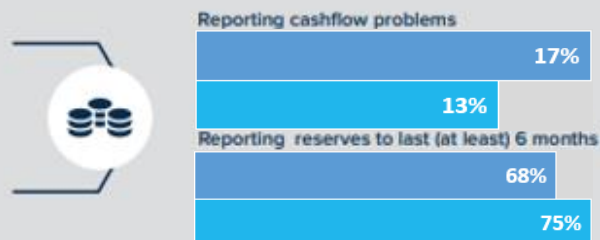
GC Business Survey

The main survey findings reported by businesses in August 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 current economic challenges and opportunities.

The largest regular monthly business survey of its kind, the following findings are based upon a total of **125 businesses** that participated in our GC Business Survey from **7th August 2023 to 4th September 2023**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

SURVEY SUMMARY

Business confidence remains 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 remained the same in the latest survey and remains a major problem for just under a half of firms. Three-quarter of firms have reserves to last over 6 months. Cashflow problems have decreased but continue to affect just over a tenth of businesses as a serious risk, and there has been a slight decrease in firms reporting late payments. The proportion that reported they still need to increase domestic sales has slightly decreased but remains a challenge. The main business support needs are business planning, marketing, and innovation. Finally, the proportion of firms in Greater Manchester recruiting has decreased from last month and nearly three-fifths of firms still report workforce skill gaps. The main skills in demand include sales, time management, general management and leadership skills and training people. These are alongside a range of various specialist technical skills and knowledge of products/services specific to the business / industry.

The GC Business Confidence Index. a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.5 out of 10, slightly higher than the previous month (7.3/10), and broadly similar to the average for the last year.

Sales and profits. 28% (vs 31% previously) of firms reported that they experienced an increase in sales in the last month, and 67% expect profits to increase (vs 63%), and slightly higher than the same time last year. Just 3% (vs 3%) expect profits to decrease.

Main impacts from the current situation and financial resilience

- **Impacts.** The main three impacts that have affected firms are rising costs (45% vs 45% previously), minor supply chain issues (18% vs 22%), and decreased sales (9% vs 13%). The creative and cultural industries sector was most likely to report decreased sales.
- **Cash reserves.** 75% (vs 68%) of firms report that they have cash reserves to last over 6 months. 88% of SME's with 10-249 employees have cash reserves to last over 6 months, and reserves were highest in green tech (90%), HSC (80%), & manufacturing (79%).
- **Cashflow.** 13% (vs 17%) of firms said they had cashflow problems. Micro-size firms (<10 employees) were more likely to report cashflow issues compared to SMEs (10-249 FTEs).

Employment and skills

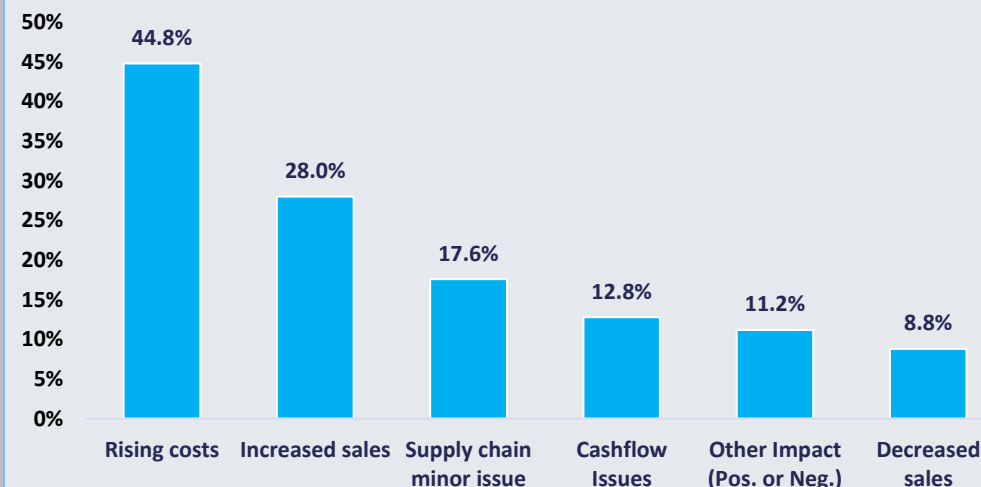
- **Recruitment.** 26% (vs 28% previously) of firms are currently recruiting new staff, 16% (vs 19%) said they had difficulties recruiting. The main occupational groups recruiting are for customer facing roles (35% vs 36%), managerial roles (15% vs 11%), and roles 'not classified' (21% vs 14%).
- **Workforce skill gaps.** 58% (vs 54%) of firms said that their workforce skills are only 'partly' at the level to meet business plan objectives. The main technical skill gaps identified: specialist technical skills (30%), knowledge of products/services (11%), advanced specialist IT skills (8%), and adapting to new equipment (7%). The main people and personal skill gaps identified: sales (14%), ability to manage time (11%), managing/motivating staff (11%), and training people (8%).
- **Workforce development.** 47% (vs 43%) of firms said they are looking to increase investment in workforce development in the next 12 months, 50% (vs 55%) said they thought investment levels would remain the same, and 3% (vs 2%) were unsure.
- **Redundancy risk.** 2% (vs 1%) of firms said they were in the process of considering making redundancies.

Other challenges and future support needs

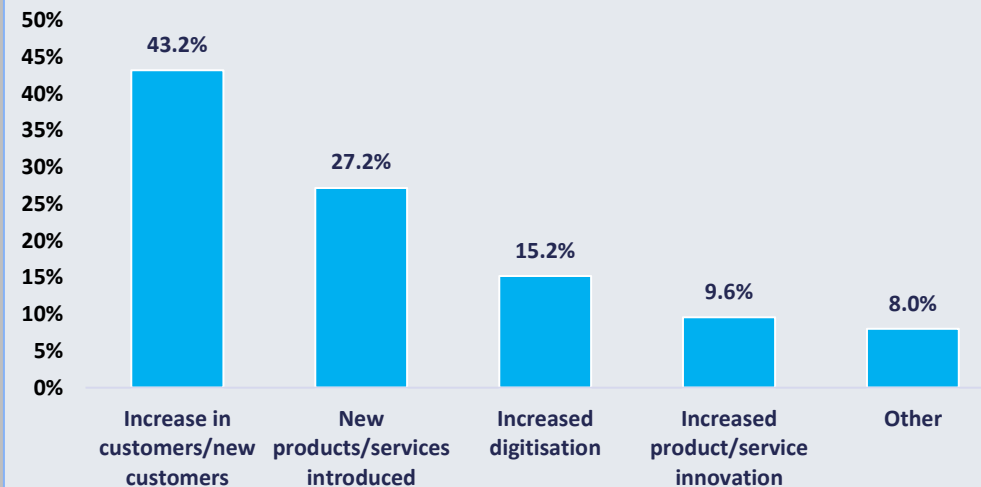
- **The main current challenges:** Access to new domestic sales opportunities (55% vs 60%), (highest impacts in green tech and logistics), managing business finances, in-particular cashflow (34% vs 45%), developing business model (45% vs 41%), developing new products / services (32% vs 32%), and workforce development (22% vs 31%).
- **Future support needs.** Looking further to the year ahead, the main areas identified (many showing an increase on last month) are business planning (44% vs 51%), marketing (34% vs 39%), innovation (34% vs 32%), workforce development (26% vs 29%), and financial advice (24% vs 25%).

- **Environmental impact.** 13% (vs 18%) are looking for extra support to manage environmental impact.

Main Impacts

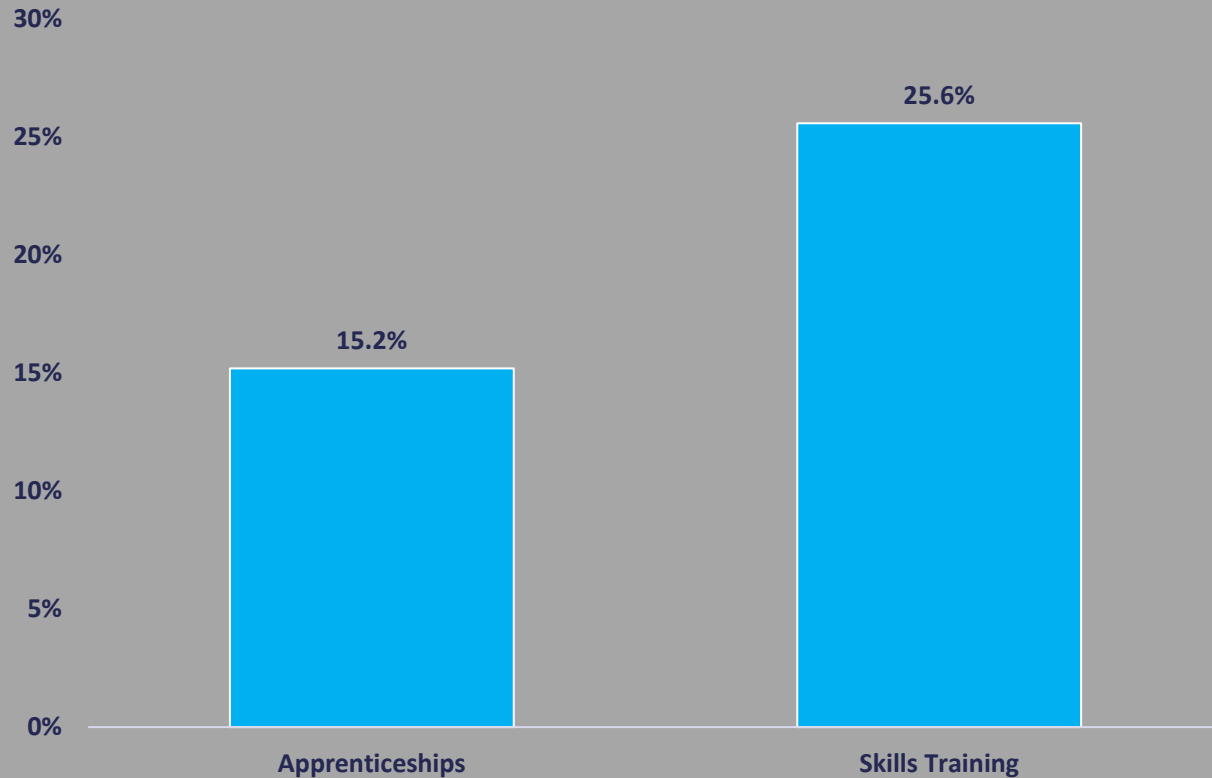


Positive Impacts

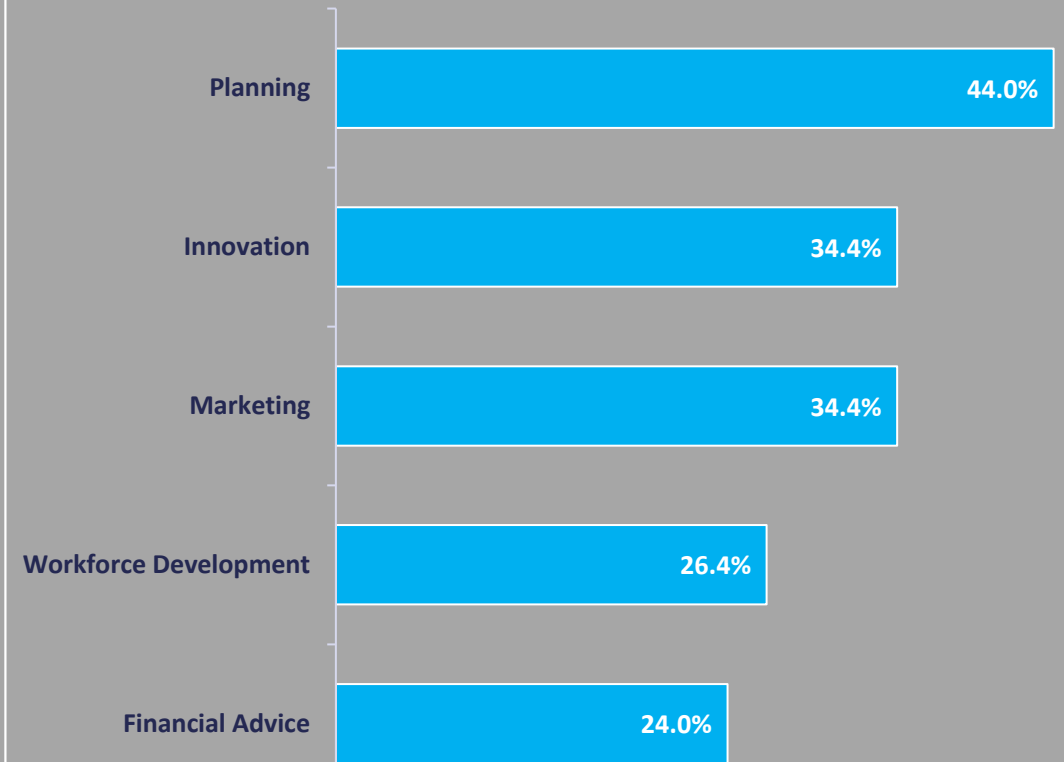


Interest in business support and training

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:

- Help you find the right support and funding: <https://www.businesssupportfinder.com/>
- Guidance and support on business innovation: <https://www.businessgrowthhub.com/services/business-innovation>
- Help for training staff and finding new talent: <https://www.businessgrowthhub.com/services/support/people-skills-and-talent>