



The
Growth
Company

Growth Company Business Survey

Results for the 5th December to 6th January 2023

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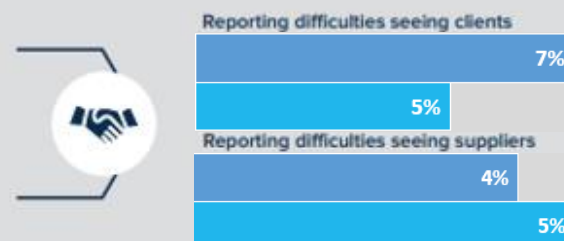
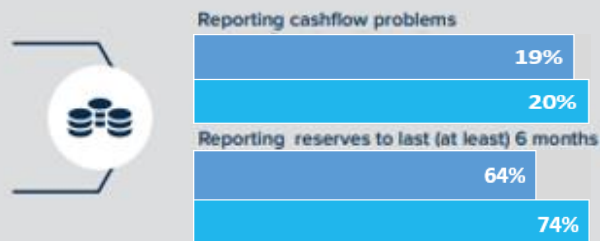
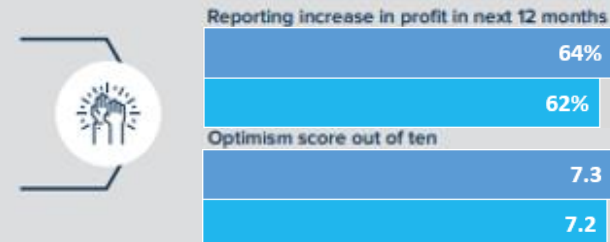
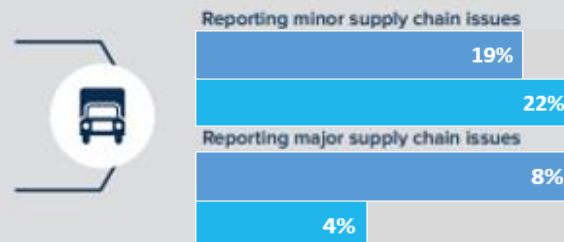
GC Business Survey

The main survey findings reported by businesses in December 2022

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 **193 businesses** that participated in our GC Business Survey from **5th December 2022 and 6th January 2023**.

The main impacts of the current economic climate on businesses



▶▶ Previous month

▶▶ Current Month

SURVEY SUMMARY

The latest results show that confidence continues to be strong in the face of difficult economic circumstances. However, the main risks are high costs, supply chain issues, and cashflow issues. Cost risks have increased slightly in the latest survey and is a major problem for over a third of firms. Nearly three quarters of firms are certain they have reserves to last over 6 months, a sharp increase from the last two months. Cashflow problems are continuing to affect a fifth of businesses as a serious risk, and the survey this month shows a rise in firms reporting late payments. This hasn’t yet filtered through into rising insolvency risk, with RedflagAlert data suggesting a 0.7% point fall in risk compared to last month. The main business support needs are innovation support, planning, and marketing. Finally, there has been an decrease in the proportion of firms recruiting from last month, however, over half of these firms have reported workforce skill gaps, particularly in sales, management, digital and team leadership / team working.

The GC Business Confidence Index. a ranking of how confident businesses are on their growth prospects for the year ahead, currently stands at 7.2 out of 10, slightly lower than 7.3 recorded the previous month.

Sales and profits. 21% (vs 23% previously) of firms reported that they experienced an increase in sales in the last month, and 62% expect profits to increase (vs 64%, and similar to that seen in Jan/Feb 2022).

Main impacts from the current situation and financial resilience

- **Impacts.** The main three impacts facing firms are rising costs (36% vs 34% previously), supply chain issues (22% vs 19%), and cashflow issues (20% vs 19%). The hospitality, tourism, and sport, and other service activities were most likely to report decreased sales.
- **Cash reserves.** 74% (vs 64%) of firms report that they have cash reserves to last over 6 months. 79% of SME’s with 50-249 employees have cash reserves to last over 6 months, with the majority in healthcare (77%), construction (71%), and education (71%).
- **Cashflow.** 20% (vs 19%) of firms said they had cashflow problems. Micro-size firms (<10 employees) were three times more likely to report cashflow issues this month compared to SMEs (50-249 FTEs).

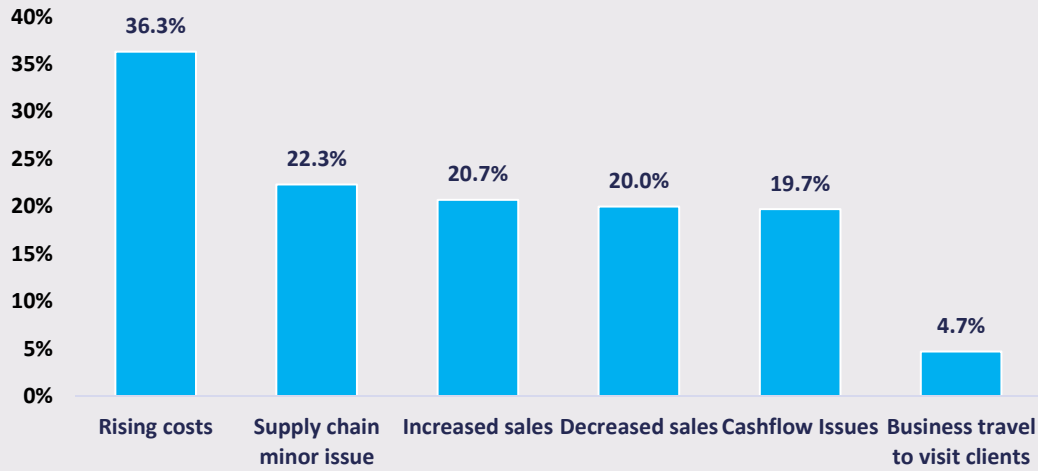
Employment and skills

- **Recruitment.** 23% (vs 27% previously) of firms are currently recruiting new staff, and 13% (vs 21%) said they had difficulties recruiting. The main occupational groups recruiting are for customer facing roles (41% vs 46%), managerial (12% vs 18%), and others not listed (22% vs 31%).
- **Workforce skill gaps.** 54% (vs 49%) 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 (30%), knowledge of products/services (11%), and solving complex problems (11%).
- **Workforce development.** 54% (vs 50%) of firms said they are looking to increase investment in workforce development in the next 12 months, 42% (vs 44%) said they thought investment levels would remain the same, and 2% (vs 3%) were unsure.
- **Redundancy risk.** Just 2% (vs 2%) of firms said they were in the process of considering making redundancies.

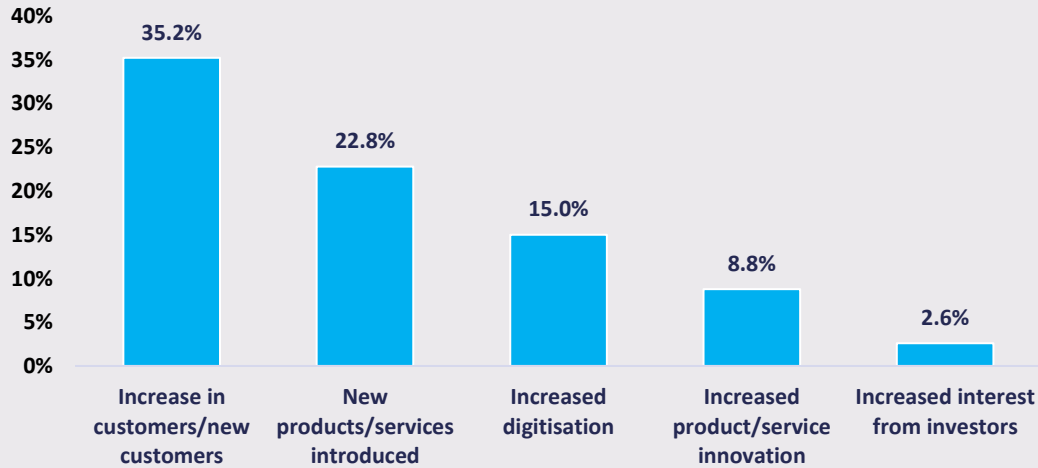
Other challenges and future support needs

- **The main current challenges:** Access to new domestic sales opportunities (49% vs 53% previously), developing the business model (42% vs 45%), managing overall business finances (41% vs 44%), developing new products/services (32% vs 37%), and general workforce and skills (25% vs 29%).
- **Future support needs.** Looking to the year ahead, the main areas identified are innovation (40% vs 35%), planning (40% vs 48%), marketing (38% vs 38%), workforce development (33% vs 37%), and financial advice (26% vs 28%).
- **Environmental impact** 14% (vs 17%) are looking for extra support to manage their environmental impact

Main Impacts

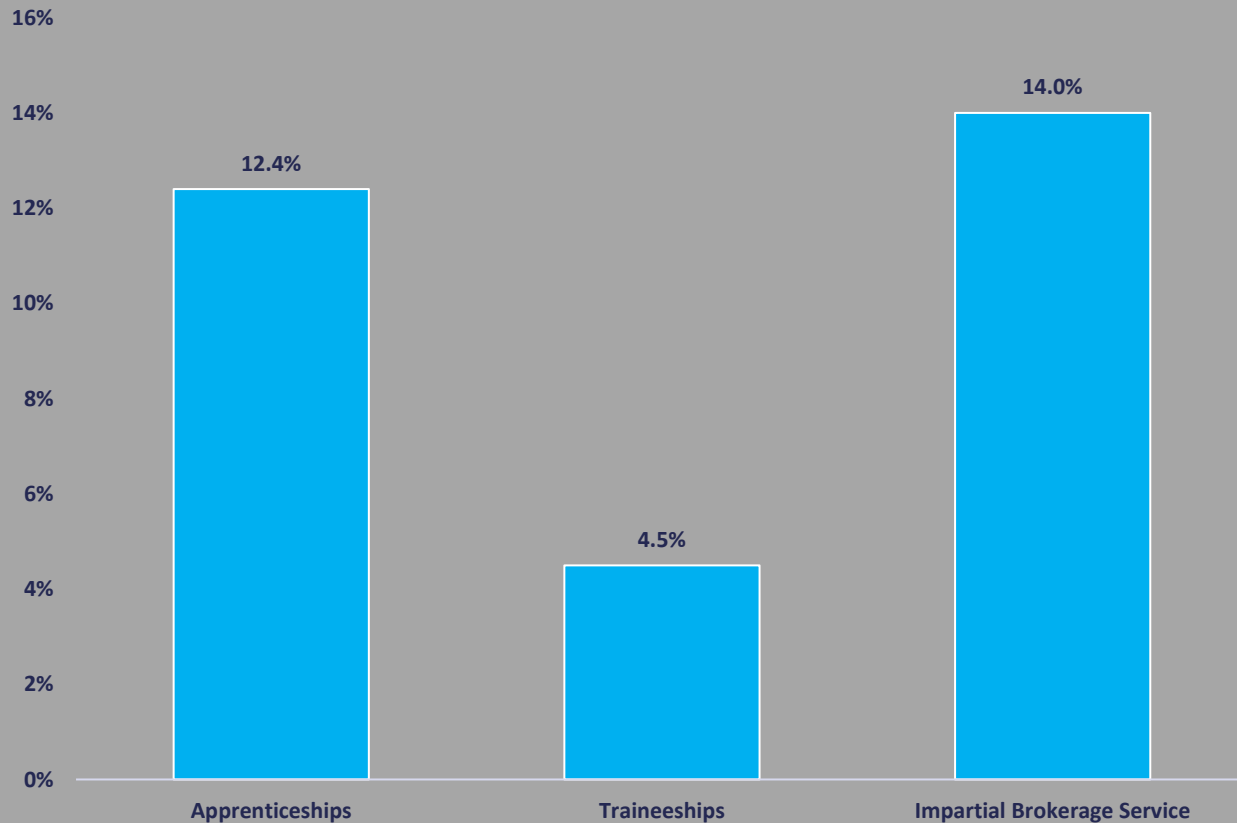


Positive Impacts

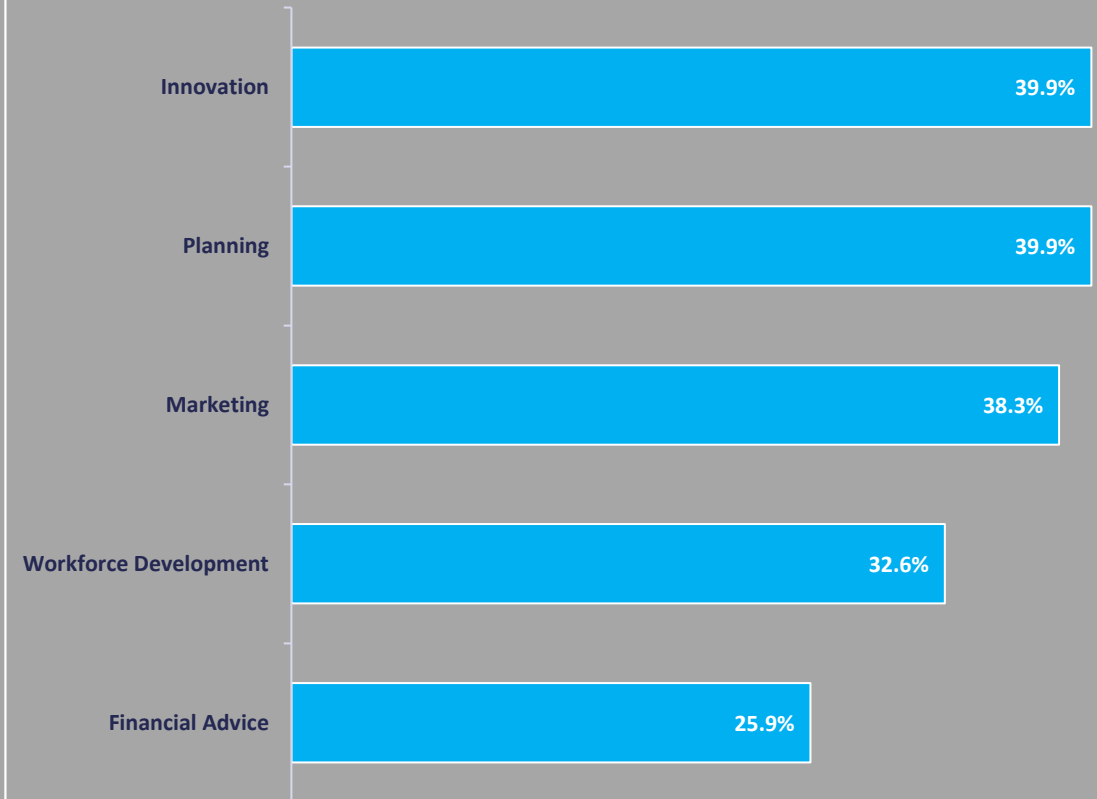


Interest in business support and training

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>